City of Santa Fe, New Mexico

memo

DATE: August 31, 2016

TO: Planning Commission
Business & Quality of Life Committee
Public Works, C.I.P., & Land Use Committee
Public Utilities Committee
Governing Body

FROM: _____
Matthew O'Reilly, P.E.
Asset Development Director

RE: AN ORDINANCE RELATING TO THE LAND DEVELOPMENT CODE, CHAPTER 14 SFCC 1987, CREATING A NEW SUBSECTION 14-5.5(D) ENTITLED THE "MIDTOWN LOCAL INNOVATION CORRIDOR OVERLAY DISTRICT" (MIDTOWN LINC OVERLAY DISTRICT) AND ESTABLISHING PERMITTED USES, DEFINITIONS, STANDARDS, AND INCENTIVES FOR QUALIFYING PROJECTS WITHIN THE DISTRICT; AMENDING THE FOLLOWING ARTICLES TO ADD PROVISIONS FOR QUALIFYING PROJECTS WITHIN THE DISTRICT: 14-3.8(B) DEVELOPMENT PLAN APPROVALS, TABLE 14-6.1-1 SPECIAL USE PERMITS, 14-6.2(A)(7) DWELLING UNITS WITHIN C-2 AND SC DISTRICTS, 14-8.6(B)(4) REDUCTION OF REQUIRED PARKING SPACES, TABLE 14-8.7-2 ARCHITECTURAL DESIGN STANDARDS AND POINT ALLOCATIONS, 14-8.13(E) DEVELOPMENT WATER BUDGET CRITERIA, 14-8.14(D) IMPACT FEES; RELATING TO THE BUILDING AND HOUSING CODE, CHAPTER 7 SFCC 1987, AMENDING SUBSECTION 7-1.10 APPLICATION OF THE INTERNATIONAL EXISTING BUILDING CODE; RELATING TO THE SEWER CODE, CHAPTER 22 SFCC 1987, AMENDING SUBSECTION, 22-6.6 EXHIBIT A SECTION 7 WASTEWATER UTILITY EXPANSION CHARGE; RELATING TO THE WATER CODE, CHAPTER 25 SFCC 1987, 25-4.2 EXHIBIT B RATE SCHEDULE 8 UTILITY EXPANSION CHARGE; AND MAKING SUCH OTHER CHANGES THAT ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE.

BACKGROUND

In April 1999, the city's governing body adopted Santa Fe's General Plan. Along with Cerrillos Road and Airport Road, the General Plan classified the portion of St. Michael's Drive between Cerrillos Road and St. Francis Drive as a "Redevelopment Corridor".[1] The plan states that this classification of the St. Michael's Drive corridor is "*designed to provide opportunities for redevelopment by providing*

[1] City of Santa Fe General Plan, April 1999, Figure 3-1.

incentives for use intensification" and anticipated that St. Michael's Drive would be *"targeted for mixed-use development"*.[2]

In 2009, the City of Santa Fe's Housing & Community Development Department sponsored a "Sketch Design" project entitled *"St. Michael's Drive ... Visions of the Future"*. Six urban design/architecture professionals proposed ideas about how St. Michael's Drive and the land around it might be redesigned to provide *"a vibrant district of activity"*. The submissions were displayed to the public at open houses on May 8 and 9, 2009 at the former Cinema Café on St. Michael's Drive.

In March 2011, the governing body unanimously adopted the first of three Resolutions related to the St. Michael's Drive area. Through Resolution 2011-18, the governing body recognized the St. Michael's Drive as *"a major commercial corridor that extends through the geographic center of the City"*, and the *"need for form-based overlay standards and other implementation steps for the St. Michael's Drive corridor"*. The Resolution also recognized,

> *"the potential for greater economic benefit and community living that can be achieved through a mix of uses, enhanced multi-modal options, pedestrian/bicycle friendly corridors, establishing neighborhood gathering places and by beautification of the roadways, themselves."*

Among other things, staff was directed to produce so-called form-based overlay standards to:

- develop a creative and cultural corridor along St. Michael's Drive;
- public enhancements of the St. Michael's Drive corridor including street and safety improvements for pedestrians, bicycles, buses and automobiles that encourage walk ability and a bike friendly environment;
- streetscape improvements including enhanced landscaping and lighting to create an attractive and inviting neighborhood;
- propose development standards focusing on form-based approaches, targeted at attracting new businesses, and local artists and entrepreneurs in creating a more vibrant community;
- a mix of housing including a range of densities and mixed uses.

In 2011, the Santa Fe Association of Realtors received a "Smart Growth" grant from their national organization to conduct a housing investigation of the St. Michael's corridor area. The resulting *"Housing Advocacy Document"* was completed in December 2011 and estimated the potential for an additional 1,000 multi-family dwelling units along the corridor under certain conditions. Recommendations included: cultivating the SFUAD, the hospital and the school system as housing generators; simplifying the approvals process for as-of-right proposals; elimination of impact fees to encourage new development; and the adoption of design standards.

In December 2011, the Long Range Planning Division produced a draft set of form-based design

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[2] Ibid, page 3-13.

standards intended to inform and to be included in a future overlay district for the St. Michael's Drive area. This draft was approved by the city's Long Range Planning Subcommittee.[3]

In February 2012, the governing body unanimously adopted another Resolution regarding St. Michaels' drive. Resolution 2012-22 again recognized the "*unique opportunities and potential represented in the [St. Michael's Drive] corridor including Santa Fe's significant cultural and innovative assets.*" At that time staff was additionally directed to "*initiate discussions with the New Mexico Department of Transportation Secretary to discuss a road exchange agreement for transfer of ownership of St. Michael's Drive from NMDOT to the City of Santa Fe in order to fully implement design standards and long range planning efforts.*"[4]

In September 2012, a grass roots community effort supporting the redevelopment of the St. Michael's Drive area culminated in a three-day community event known as the "RE:MIKE Demonstration" event and produced a RE:MIKE report that recommended certain key action items for the area.

Also in 2012, the University of New Mexico's School of Architecture & Planning studied the St. Michael's Drive area as part of its Community & Regional Planning Advanced Studio. The UNM student work produced a study document that was presented to the city, to landowners/business owners, and to the Santa Fe University of Art & Design in November and December of 2012.

In January 2013, the governing body unanimously adopted the Airport Road Overlay District. The Airport Road overlay covers an area of 560 acres and includes form-based design standards and fee incentives to encourage certain types of targeted uses in the Airport Road area.

In February 2014, the governing body unanimously adopted its most recent Resolution regarding the corridor. Resolution 2014-12 specifically referenced the RE:MIKE effort, and further directed staff to bring forward a plan to:

> "*mobilize one or more catalytic projects to jump start revitalization in the area that may <u>include development of housing, commercial, retail and/or green space, and a slate of incentives... which may include city investments, fee waivers and/or allocation of other city resources</u> as a special designation for zoning for economic development purposes.*" [<u>Emphasis added</u>].

Resolution 2014-12 also directed staff to procure a traffic study to be used for "*attraction and justification of federal and state funding for road and transportation improvements.*"

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[3] The draft design standards produced by the Long Range Planning Division have been incorporated into the Midtown LINC Over District as described later in this memorandum.

[4] The 1989 "Road Exchange and Maintenance Agreement" between the city and NMDOT is still in effect; the agreement was amended once in 1998 to put Airport Road into city ownership. Staff efforts to initiate discussions with NMDOT in 2012 did not result in a new agreement. The city's Asset Development Office renewed discussions with NMDOT In 2014 and discussions are continuing at this time.

In September 2014, Mayor Gonzales was invited to participate in a national session of the Mayor's Institute on City Design in Charlestown, SC. At that event each of ten Mayors from around the country presented a particular urban design/redevelopment project for consideration. Mayor Gonzales presented the St. Michael's Drive corridor area as his presentation.

In February 2015, in response to Resolution 2014-12, the Long Range Planning Division procured a limited traffic assessment of St. Michael's Drive from Cerrillos Road to St. Francis Drive to determine whether the existing seven-lane roadway (6 travel lanes + 1 turn lane) could be reduced to a five-lane roadway (4 travel lanes + 1 turn lane). The traffic assessment analyzed both the existing, baseline traffic and the forecasted traffic with a lane reduction. The analysis showed that changes could be implemented at the busiest traffic signals to help moderate the effects of the lane reduction and, that with such changes, most locations along the corridor would operate suitably, though additional measures might be necessary at Llano Street to improve traffic operations. In this area, between Llano Street and Cerrillos Road, St. Michael's Drive may need to remain three travel lanes wide.

The traffic analysis also showed that "major changes in traffic along St. Michaels Drive would not be expected to result in significant cut-through traffic going onto adjacent streets". The regional traffic model employed in the assessment "showed traffic rerouting that occurred elsewhere in the model but did not show corresponding increases in traffic on adjacent corridors." The assessment recommended a more detailed study once design specifics became available.

In 2015, the city manager assigned the Asset Development Office (ADO) the task of distilling the available studies, documents, staff work and input that had been received and created to that date into an implementable ordinance: 1) in a recognizable format that would fit within the city's Land Development Code and, 2) that would have the best likelihood over time of inducing the private property owners in the St. Michael's Drive area to redevelop their properties to create additional housing and complimentary non-residential uses.[5]

DISTRICT BOUNDARY

The Midtown LINC District consists of approximately 372.8 acres, amounting to approximately 1.1% of the 33,601 acres of land within the city limits (see Figure 1). The overlay area contains 161 individual properties, amounting to approximately 0.45% of the 35,580 parcels of land within the city.[6]

The overlay area includes <u>only commercial, industrial and institutional properties</u> (with the exception of two properties noted below). The overlay district boundary intentionally avoids, and does not contain, any existing residential neighborhoods. The overlay district contains only two existing

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[5] As the disposition of the St. Michael's Drive roadway is a key design and pedestrian amenity element of the overall area, the ADO was also tasked to reopen discussions with NMDOT about the conditions under which the city could take ownership, and eventual improvement, of St. Michael's Drive.

[6] The city contains about 35,580 lots but the number of taxable properties is approximately 41,460 due to condominium ownership and common element parcels.

City of Santa Fe: 2014 Aerial Photo

FIGURE 1: Midtown LINC Overlay District
372.8 AC (1.1% of City); 161 LOTS (0.45% of City)

residential uses, a single-family home abutting St. Michael's Drive located at 2010 Piñon Street and the Tres Santos Apartments a 136-unit apartment complex located at 1899 Pacheco Street. Other overlay district data is shown in the tables below:

Table 1: ***Existing Underlying Zoning Types***

Zoning	Square Feet	Acres	% of District
C2	5,609,632	128.78	34.5%
SC2	1,988,497	45.65	12.2%
C1	446,281	10.25	2.8%
I1	1,274,279	29.25	7.9%
R-5 (SFUAD & vicinity)	6,920,699	158.88	42.6%
TOTAL	**16,239,388**	**372.81**	**100.0%**

Table 2: ***Overlay District Makeup***

Type	Square Feet	Acres	% of District
Land in Lots	14,731,992	338.2	90.7%
Land at SFUAD	2,796,552	64.2	17.2%
Street Rights-of-Way	1,507,176	34.6	9.3%
Buildings (Footprint)	2,663,473	61.1	16.4%
Parking Lot/Undeveloped	12,065,865	277.0	74.3%

Table 3: ***Existing Uses per Land Dev. Code Classification***

Use Category	Number	% of Total
Retail Sales & Service	59	30.5%
Office, Business & Professional	37	19.2%
Food & Beverage	23	11.9%
Financial Services	18	9.3%
Service Establishments	17	8.8%
Educational	9	4.7%
Vehicles & Equipment (incl. Gas Stations)	8	4.2%
Medical	8	4.2%
Recreation & Entertainment	5	2.6%
Animal Sales & Service	3	1.6%
Religious Assembly	2	1.0%
Residential	2	1.0%
Arts Activities	1	0.5%
Storage	1	0.5%
TOTAL	**193**	**100.0%**

To create a buffer between the overlay district area and nearby existing neighborhoods the overlay boundary also intentionally omits certain existing commercial properties lying between existing neighborhoods outside the overlay district and properties within the overlay district.[7]

[7] The design standards that are included in the Midtown LINC contain additional provisions to provide buffers to nearby residential developments.

OTHER OVERLAY DISTRICTS

St. Michael's Drive is currently the only major commercial corridor in the city without an overlay district. At 372.8 acres in size, the Midtown LINC would be the one of the two smallest overlay-type district in the city, second only to the C4 Overlay along St. Francis Dr. Figure 2 below shows the relationship between the proposed Midtown LINC and other existing city overlay districts.

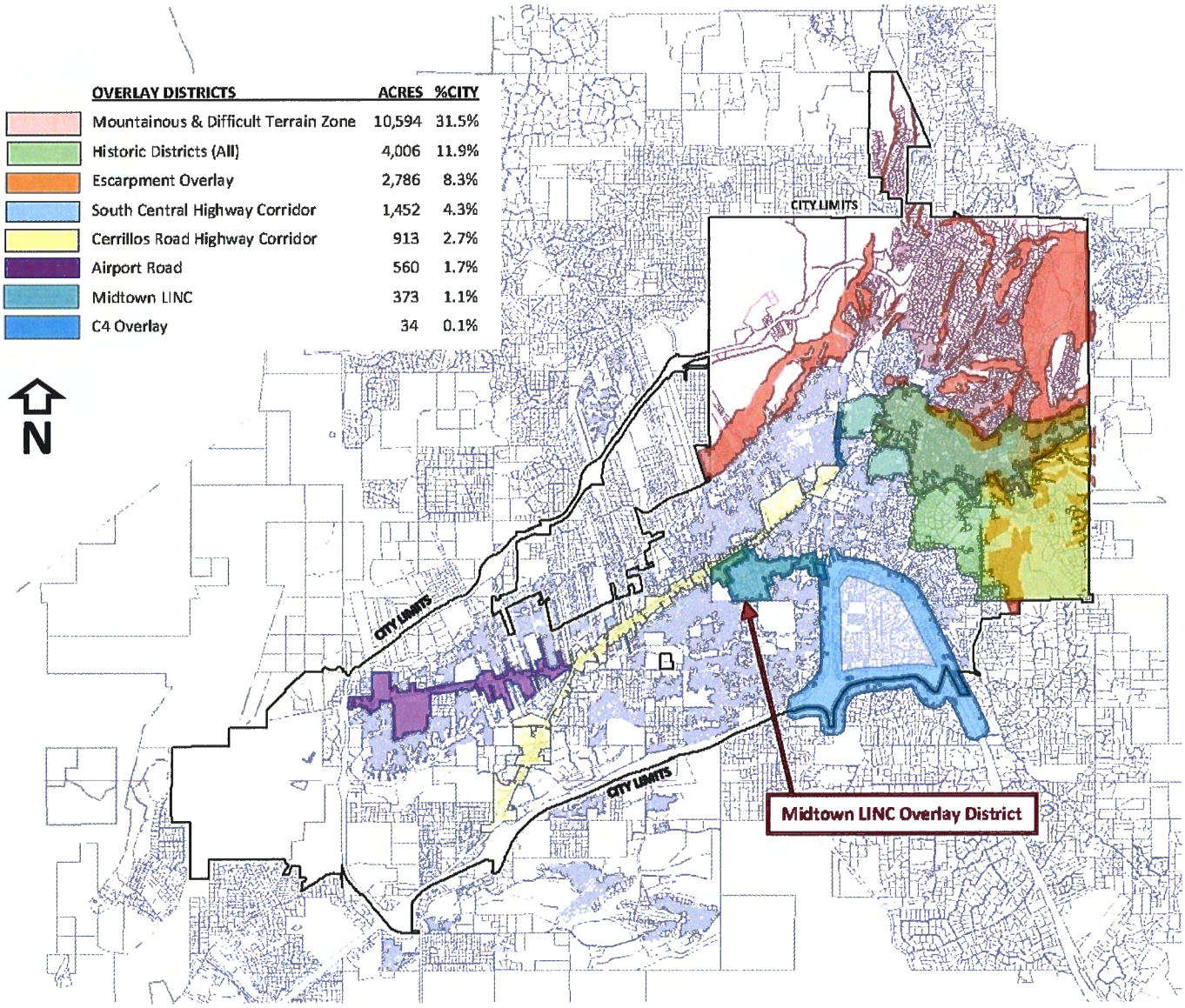


FIGURE 2: City Overlay Districts

BILL

The Midtown LINC Bill contains eleven sections. Section 1 of the Bill consists of entirely new material that creates the Midtown Local Innovation Corridor Overlay District (Midtown LINC) as new text within Chapter 14 (Land Development Code) and establishes the purpose and intent of the ordinance and the standards for the district. Sections 2 through 11 of the Bill amend other chapters of the Municipal Code as cross references and compliments to the provisions of Section 1.

Section 1

As stated above, Section 1 of the Bill is new material that creates a new Subsection 14-5.5(D) containing the provisions of the Midtown LINC overlay district. Similar to the recently-adopted Airport Road overlay district and the format of other existing overlay districts, the Midtown LINC overlay district provisions are arranged by subsections in the following format:

(1) *Purpose and Intent*
(2) Boundaries
(3) Applicability
(4) Permitted Uses; Qualifying Projects
(5) General Standards
(6) Building Envelope Standards and Measurements
(7) Site Design, Circulation and Parking
(8) Architecture
(9) Landscaping Standards
(10) Signage
(11) Site Furnishings
(12) Outdoor Lighting
(13) Additional Requirements for Qualifying Projects
(14) Fee Incentives for Qualifying Projects

As noted previously, subsections (4) through (12) contain the majority of recommended design standards developed by the Long Range Planning Division in 2011. The design standards have also been informed by the standards that were subsequently adopted in the Airport Road overlay, and further adjusted to reflect further thoughts on buildability and to create more public space in front of new buildings.

The full Bill is attached to this memorandum; however, the following are selected provisions from the Section 1 subsections that are of particular note:

Purpose and Intent

Paragraph (b) acknowledges the intention that existing uses will be allowed to continue as redevelopment occurs; paragraph (c) intends that while providing for innovative redevelopment within the district, buffering between uses within the district and existing residential development

outside the district is important. Paragraph (d) establishes that pedestrian, bicycle, landscaping, and other street-related public space amenities are integral to the district.

Applicability
This subsection provides that all new development must comply with the provisions of the overlay district. This subsection recognizes that at times it may not be feasible for alterations to existing structures to fully comply with the new requirements of the district. An example might be a building owner who needed to add a small addition to an existing building for a code-required restroom and who would be unable to place the addition close to the street as required by the ordinance if the existing building was located at the rear of the property. Similarly, the cost of relocating costly items such as existing electrical transformers or water system backflow preventers might greatly exceed the cost of an interior remodel – making the remodel itself infeasible and therefore contrary to the redevelopment goals of the district. This subsection allows the land use director to determine the extent of required compliance in these situations.

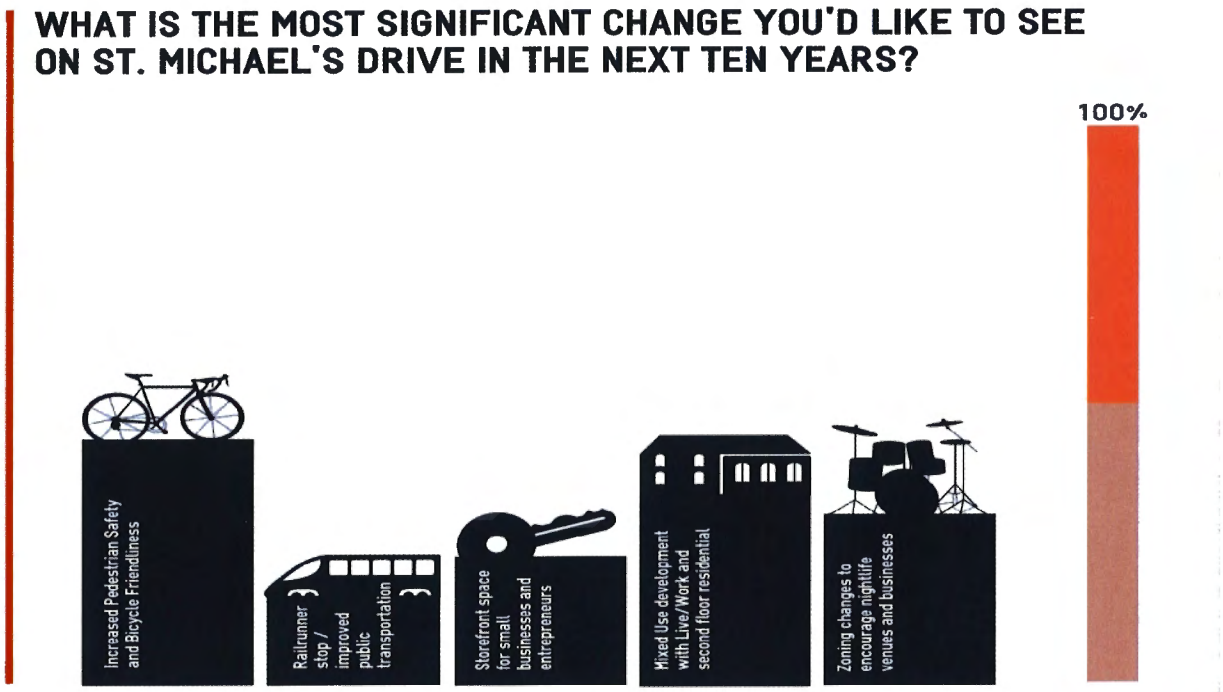
Permitted Uses; Qualifying Projects
Similar to other overlay districts, permitted uses and structures are the same as those permitted in the underlying zoning districts of the overlay. However, in alignment with the purpose and intent of the Midtown LINC, certain additional uses (multi-family residential) and certain prohibited uses (sexually-oriented businesses, scrap yards, etc.) are established in the district. These additional and prohibited uses are outlined in Table 14-5.5-2 of the Bill.

Unique to this subsection, is the concept of "qualifying projects". Qualifying projects are new developments that are either "qualifying residential projects" or "qualifying nonresidential projects". Qualifying projects qualify for the various redevelopment incentives available in the overlay district. "Qualifying residential projects" are composed of either new multi-family dwellings or of new multi-family dwellings and a mix of complimentary, targeted nonresidential uses. "Qualifying nonresidential projects" are new buildings or alterations to existing buildings for targeted eligible uses.

The residential and nonresidential uses that are made eligible for incentives are those uses that have been identified through the public input and studies performed to date. In particular, the responses given in the numerous surveys submitted during RE:MIKE events have informed what uses should be incentivized, in addition certain use categories were chosen from the city's current Land Development code that were deemed to be most complimentary and advantageous in close proximity to multi-family developments. Figures 3 and 4 summarize some of the results of the RE:MIKE surveys.

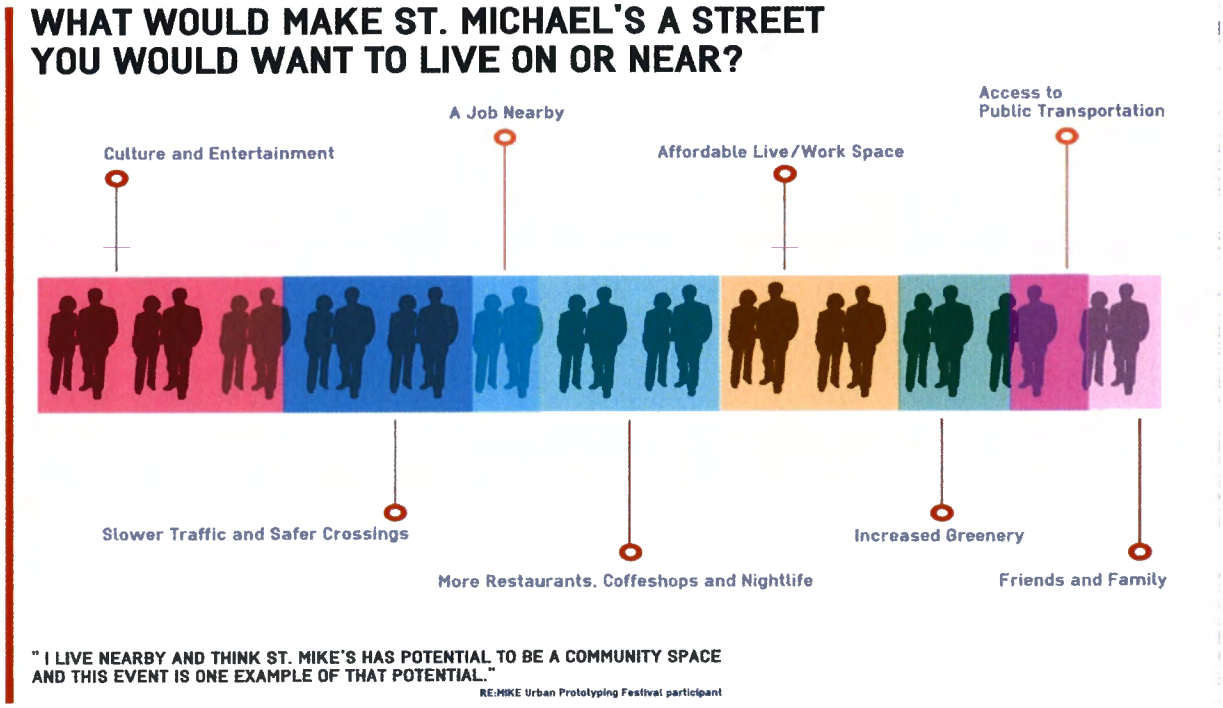
Table 15-5.5-3 of the proposed ordinance outlines the specific uses that are eligible for incentives as part of residential projects or as stand-alone nonresidential projects.

FIGURE 3



Source: RE:MIKE

FIGURE 4



Source: RE:MIKE

This subsection also establishes that development projects that are not "qualifying projects" are allowable but are not eligible for incentives.

General Standards
Of note in this subsection is clarification that the provisions of the Midtown LINC overlay shall apply in the event of conflicts between Midtown LINC requirements and those of underlying zoning districts.

Building Envelope Standards and Measurements
This subsection contains a number of specific requirements related to encouraging new development within the overlay area. Three of these requirements are particularly important:

1. In order to allow for increased density and the feasibility of qualifying residential projects, the maximum building height for these projects is set at fifty (50) feet. This height will allow the development of 4-story buildings, in particular "3-over-1's", meaning three stories of residential over one ground-level story of commercial. The ordinance requires that any 4th story be set back at least fifteen (15) feet from any street-frontage façade.

   The height requirements also provide that so-called elevator "over-runs" and renewable energy generating equipment such as solar photovoltaic panels and wind turbines shall not be calculated as part of the height of a building.

   Table 4 shows the allowable Midtown LINC height in comparison to the maximum allowable building heights in the overlay district's four underlying zoning districts.

Table 4: ***Building Heights per Underlying Zoning***

Underlying Zoning	Max. Ht.
I1	65'
C2	45'
SC2	45'
C1	36'
R-5 (Nonresidential structures)	35'
R-5 (Residential structures)	24'
Midtown Overlay	**Max. Ht.**
Qualifying Residential Project	50'

In order to more fully buffer existing residential development located outside of the district from new development inside the district, the ordinance requires a lower building height of thirty-eight (38) for new development in the district that is located within one hundred fifty (150) feet of existing residential development outside the district. In addition, the ordinance mirrors existing code language that requires a rear yard buffer of twenty-five (25) feet where a lot within the district abuts an existing residential development outside the district.

2. To further encourage housing density and the option of smaller dwelling unit sizes, a maximum residential density is not applied to qualifying residential projects. The city's current maximum density is 29 units per acre.[8] 3-over-1 developments or 4-story all-residential developments, particularly those that employ a unit mix containing higher percentages of increasingly-popular small unit sizes, are likely to require built densities of 40 to 50+ dwelling units per acre.

3. Building setbacks at the street are set to a maximum of five (5) feet to create a desired building-oriented streetscape that includes an enlivened, widened sidewalk public space. To provide a measure of architectural flexibility, up to 30% of a building's street-frontage façade may be exceed this setbacks to accommodate aspects of a building's architectural design, and for entryways and integral courtyards.

Site Design, Circulation and Parking
The subsection contains a number of design standards related to the design of development sites. The following are some of proposed standards of note:

- New buildings must be oriented so that their primary façades face St. Michael's Drive (or Cerrillos Road or other streets as applicable).
- Sidewalks along St. Michael's Drive (and included sections of Cerrillos Road) are required to be a minimum of fifteen (15) feet wide.[9]
- Perimeter screening of parking lots is required but multiple openings adjacent to street frontages are required to maximize pedestrian permeability between the street sidewalks and parking areas.
- New vehicular access points to properties and loading docks on buildings must be from the side or rear of lots to reduce disturbance to pedestrian activities on the main sidewalks on St. Michael's Drive.
- New electrical transformers and trash enclosures must be located at the side or rear of buildings and must be screened from the view of public roadways and sidewalks.
- Water system backflow preventers (so-called "Hot Boxes") must be located inside of buildings.

Architecture
The subsection contains a number of design standards related to the architecture of new buildings that are in addition to the existing requirements found in the Architectural Design Review section of the Land Development code. The following are some of the additional standards of note:

- The longest façade of all new buildings on lots abutting St. Michael's Drive (or Cerrillos Road) must be aligned parallel to the street frontage of St. Michael's Drive (or Cerrillos Road as applicable).

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[8] Rarely achieved in Santa Fe due to height restrictions and parking requirements, a density of 33 dwelling units per acre is currently the absolute maximum residential density in Santa Fe and is achievable only through the use of an affordable housing density bonus.
[9] The ordinance allows existing sidewalks that are less than 15 feet wide to be widened to meet this requirement.

- Doors intended for vehicular access to buildings on lots abutting St. Michael's Drive (or Cerrillos Road) shall not face St. Michael's Drive (or Cerrillos Road as applicable).
- The primary entrance to any new buildings abutting St. Michael's Drive (or Cerrillos Road) shall be visible from St. Michael's Drive (or Cerrillos Road as applicable).
- Rooftop equipment is required to be screened so that the equipment is not visible from adjacent public rights-of way. Renewable energy generating equipment is not required to be screened but must be integrated into a building's architectural design to the extent possible.

Landscaping Standards
The subsection contains design standards related to landscaping. These standards are in addition to the existing landscaping requirements found elsewhere in the Land Development code. The following are some of the additional standards of note:

- On-site storm water detention facilities are required to placed underground unless constructed as part of an active water harvesting system in which case the active water harvesting system is required to be integrated into the architectural design of a building to the extent possible.
- A minimum five (5) foot wide landscaped area is required around the base of building walls.
- 4" caliper street trees are required at a maximum spacing of thirty (30) feet on center. The land use director may allow the clustering of street trees as a part of a development's overall landscape design.
- The area between the street curb and the sidewalk must be landscaped.
- To further address buffering for existing residential development located outside the overlay district, a fifteen (15) foot landscaped buffer strip is required where development projects are adjacent to existing residential development located outside of the overlay district.

Signage
In addition to the existing sign requirements of the Land Development code, the following additional signage provisions of note are required in the Midtown LINC.

- Pole-mounted signs are prohibited.
- Wall- or building-mounted signs may not extend above a building's roofline or parapet; roof-mounted signs are prohibited.
- The restriction on the maximum number of colors and lettering styles on a sign does not apply within the overlay district.
- The requirement that the area of illumination of a sign be included in the calculation of a sign's area does not apply within the overlay district.
- To enhance business identification for pedestrians, signs may extend up to five (5) feet perpendicular to building walls.

Site Furnishings
The overlay district requires a minimum amount of site furniture based on building size.

- A minimum of one bench per ten thousand (10,000) gross square feet of building is required. Benches are to be located adjacent to the street frontage of a development, adjacent to the primary building entrance, or within other public or private amenities provided by the development.
- At least one bench must be shaded by a tree.
- Where multiple benches are required, a trash receptacle must be provided adjacent to one of the benches.
- All site furnishings, including bicycle racks, benches, trash receptacles, and exterior light fixtures must be of coordinated design styles and colors.

Outdoor Lighting
The following additional outdoor lighting restrictions apply in the Midtown LINC, in addition to outdoor lighting requirements found elsewhere in the Land Development code.

- The lamps of building-mounted outdoor light fixtures shall not be placed more than twelve (12) feet above the exterior grade at the perimeter of a building.
- Pole-mounted lights, such as lights used to illuminate parking areas, are limited to twenty (20) feet in height.

Additional Requirements for Qualifying Projects
In addition to the design standards described above, qualifying projects must also comply with the following requirements.

- Qualifying projects must utilize a so-called "detailed alternative development water budget" (also known as an "Option B" water budget).
- Qualifying projects must also utilize the following water-saving fixtures and systems throughout all new construction:

    1. Waterless urinals;
    2. Dual-flush, high-efficiency toilets (HETs) (rated 1.28 gallons or less per flush);
    3. EPA WaterSense® certified showerheads (or equivalent fixtures rated at 2.0 gallons per minute or less);
    4. ENERGY STAR® compliant clothes washers;
    5. Active water harvesting systems.

- Qualifying projects receiving the incentives provided through the ordinance are also required to record a restrictive covenant applying to the development property that requires that the development will continue to meet the use requirements as a qualifying project for a minimum period of five years after completion of construction.

Fee Incentives for Qualifying Projects
This subsection describes the various fees that are either removed (or reduced as noted) to

incentivize the construction of qualifying projects with the overlay district.[10]

- Construction permit fees and plan review fees;
- Development review fees;
- Development Water Budget fees (reduced);
- Impact fees;
- Wastewater UECs (Utility Expansion Charges);
- Water UECs.

The fiscal impact report accompanying this memorandum provides an analysis of the fiscal impact to city finances resulting from the elimination of these fees compared to the increased revenues associated with incentivized new development.

Section 2
As stated above, Sections 2 through 11 of the Bill do not introduce entirely new text, but rather contain amendments to existing code sections as cross references to provisions in Section 1 or as additional elements designed to incentivize redevelopment.

Section 2 amends Subsection 14-3.8(B) to expand the land use director's current purview to perform administrative review of certain development plans to also include the administrative review of development plans associated with qualifying projects with the Midtown LINC.

Section 3
This section amends Table 14-6.1-1 (Table of Permitted Uses) to remove the requirement that a qualifying project obtain a Special Use Permit when located within 200 feet of residentially-zoned property. This amendment is necessary to remove conflicts that would arise as new residential developments are created inside the district. This requirement would continue to apply to developments that are not qualifying projects.

Section 4
Section 4 of the Bill removes a potential conflict found in Subsection 14-6.2(A)(7) that currently restricts the types of residential uses allowed in C-2 and SC districts. The change will allow smaller numbers residential units to be built over existing commercial development.

Section 5
Section 5 makes two important adjustments to parking requirements for qualifying projects. First, Subsection 14-8.6(B)(4)(c) is amended to allow that parking may be allowed on a "joint basis" for qualifying projects within the Midtown LINC district. This amendment is necessary because some

[10] The affordable housing requirements of the city's HOMES program are not amended in any way by the Bill. All projects constructed within the Midtown LINC will be required to fully comply with all applicable HOMES program requirements.

areas within the district contain residentially-zoned land that is not currently part of an institutional use. Without this amendment shared or "joint" uses parking would be prohibited on these properties.

Second, this subsection adds a paragraph (f) that allows that the amount of parking for a qualifying project be determined by a parking demand study and not by the tabulated numerical parking requirements currently found in the code. Additionally, the total amount of parking that is determined by the parking demand study is allowed to be further reduced by using the shared parking provisions of the code and by the amount of on-street parking spaces that may exist adjacent to a qualifying project.

Section 6
This section of the Bill makes adjustments to the architectural point standard system of the current code. Currently, commercial buildings, including multi-family residential buildings, are reviewed on point scale based on their underlying zoning and are required to reach a certain point total in order to be issued a construction permit. Table 14-8.7-2 of the existing code contains various categories of building elements and associated available points for various architectural options such as surface material and treatment, roof and building form, door and window treatments, etcetera. Currently, certain elements, although not prohibited, are dis-incentivized by assignment of lower points.

In order to provide a measure of architectural flexibility, innovation and interest, the current point allocations available for certain architectural treatments are increased for all new development within the Midtown LINC. Specifically, Section 6 of the Bill increases available points for the following architectural features:

<u>Predominant exterior surface treatment</u>
- Brick, natural stone, and integrally-colored unit masonry
- Concrete and non-integrally colored unit masonry
- Metal siding, glass curtain wall systems, glass block, wood siding, and simulated materials

<u>Color of predominant exterior surface material</u>
- Pastel colors of non-earthtone hues, whites, grays, and grayish greens
- High-intensity colors

<u>Doors and windows</u>
- Treatments where more than 50% of doors, window and glazed surfaces (which are not located under portals) are not recessed a minimum of 2 inches or are not cased in trim, have divided lites, or have exposed lintels.
- Wall surface areas (not located under portals) that have more than 50% openings (doors, windows, glazing and other penetrations).
- Use of colored glazing.

Section 7
This section of the Bill cross references to the fee incentive section of the Bill related to how water is provided for new development. Currently, Section 14-8.13 requires that new development provide water either through the city's water rights transfer program (25-12 SFCC 1987) or through the city's water conservation credits program (25-11 SFCC 1987). Under the current code, when the water budgets for proposed developments exceed certain levels, the code requires that water be provided only by the transfer of water rights.[11] This section allows qualifying projects that exceed these levels to provide water by either method. In addition, when providing water through the water conservation credit program, qualifying projects will pay for water at a rate of $12,000 per acre-foot (approximately the city's cost) instead of at the normal rate of $16,600 per acre-foot.

Section 8
This section of the Bill cross references to the fee incentive section of the Bill related to impact fees. This section amends Subsection 14-8.14(D) to add construction permits for qualifying projects within the Midtown LINC to the list of permits exempted from the payment of impact fees.

Section 9
Section 9 amends Chapter 7 of the Municipal Code in anticipation of the redevelopment of existing buildings within the Midtown LINC. Subsection 7-1.10 is amended to clarify that construction permit applicants can request that the provisions of the city-adopted International Existing Building Code (IEBC) be applied to their construction permit. The IEBC contains alternate methods of achieving code compliance when existing building are renovated.

Section 10
This section of the Bill cross references to the fee incentive section of the Bill related to Wastewater Utility Expansion Charges (UECs). This section amends Article 22-6.6, Exhibit A, Section 7 4-8.14(D) to add qualifying projects within the Midtown LINC to the list of projects for which wastewater UECs are waived.

Section 11
This section of the Bill cross references to the fee incentive section of the Bill related to Water Utility Expansion Charges (UECs). This section amends Article 25-4.2, Exhibit B, Rate Schedule 8 to provide that qualifying projects within the Midtown LINC are exempted from the payment of the water UEC.

RECOMMENDATIONS
The attached Bill creates a comprehensive, implementable ordinance as directed by various resolutions of the governing body. Staff recommends approval of the Bill.

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[11] The current thresholds above which water rights must be transferred are 5 acre-feet for commercial developments, 7.5 acre-feet for mixed-use developments, and 10 acre-feet for residential developments.

CITY OF SANTA FE, NEW MEXICO

BILL NO. 2016-__

INTRODUCED BY:

Mayor Javier M. Gonzales

Councilor Peter Ives

AN ORDINANCE

RELATING TO THE LAND DEVELOPMENT CODE, CHAPTER 14 SFCC 1987, CREATING A NEW SUBSECTION 14-5.5(D) ENTITLED THE "MIDTOWN LOCAL INNOVATION CORRIDOR OVERLAY DISTRICT" (MIDTOWN LINC OVERLAY DISTRICT) AND ESTABLISHING PERMITTED USES, DEFINTIONS, STANDARDS, AND INCENTIVES FOR QUALIFYING PROJECTS WITHIN THE DISTRICT; AMENDING THE FOLLOWING ARTICLES TO ADD PROVISIONS FOR QUALIFYING PROJECTS WITHIN THE DISTRICT: 14-3.8(B) DEVELOPMENT PLAN APPROVALS, TABLE 14-6.1-1 SPECIAL USE PERMITS, 14-6.2(A)(7) DWELLING UNITS WITHIN C-2 AND SC DISTRICTS, 14-8.6(B)(4) REDUCTION OF REQUIRED PARKING SPACES, TABLE 14-8.7-2 ARCHITECTURAL DESIGN STANDARDS AND POINT ALLOCATIONS, 14-8.13(E) DEVELOPMENT WATER BUDGET CRITERIA, 14-8.14(D) IMPACT FEES; RELATING TO THE BUILDING AND HOUSING CODE, CHAPTER 7 SFCC 1987, AMENDING SUBSECTION 7-1.10 APPLICATION OF THE INTERNATIONAL EXISTING BUILDING CODE; RELATING TO THE SEWER CODE, CHAPTER 22 SFCC 1987, AMENDING SUBSECTION, 22-6.6 EXHIBIT A SECTION 7 WASTEWATER UTILITY EXPANSION

CHARGE; RELATING TO THE WATER CODE, CHAPTER 25 SFCC 1987, 25-4.2 EXHIBIT B RATE SCHEDULE 8 UTILITY EXPANSION CHARGE; AND MAKING SUCH OTHER CHANGES THAT ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 1. A new Subsection 14-5.5(D) SFCC 1987 is ordained to read:

(D) [NEW MATERIAL] Midtown Local Innovation Corridor (Midtown LINC) Overlay District

(1) Purpose and Intent

The purpose and intent of the Midtown Local Innovation Corridor (LINC) Overlay District is to:

(a) Strengthen and animate the built environment and the business and population links within the demographic and geographic center of the city between the existing employment centers of the Santa Fe University of Art and Design and surrounding uses to the west and the Christus St. Vincent Regional Medical Center and related medical uses to the east;

(b) Incentivize multi-family residential development, complimentary non-residential uses, and an enlivened, street-oriented pedestrian environment by freeing development capacity of existing under-developed land and buildings for these targeted uses, while allowing existing uses to continue as redevelopment occurs;

(c) Allow for innovative development and redevelopment of the district

while providing buffering between the district and existing residential development outside of the district by the application of amended land development regulations and fees and by establishing conditions precedent for future infrastructure enhancements and the application of other redevelopment and financing tools;

(d) Promote a more healthy, safe, and enjoyable environment within the city's midtown area through the enhancement of pedestrian and bicycle accessibility and safety, landscaping and other street-related amenities and the eventual reduction of traffic speeds and provision of on-street parking, bicycle lanes, and improved crosswalks; and

(e) Provide flexibility in sign design and location so as to maintain effective communication, business identification and wayfinding for existing buildings whose visibility may be reduced by new development.

(2) Boundaries

The Midtown LINC Overlay District includes land in the vicinity of the St. Michael's Drive *right-of-way* from the eastern edge of the Cerrillos Road *right-of-way* to the western edge of the St. Francis Drive *right-of-way*, and additional land in the vicinity of the campus of the Santa Fe University of Art and Design as shown on the Midtown LINC Overlay District Map.

(3) Applicability

(a) The provisions of this Subsection 14-5.5(D) apply to all land within the boundaries of the Midtown LINC Overlay District.

(b) New *development* shall comply with the provisions of this Subsection.

(c) *Alterations* to existing *structures* shall comply with the provisions of this Subsection to the extent practical or feasible as determined by the *land use director*.

(4) Permitted Uses; Qualifying Projects

(a) Permitted and Prohibited Uses

Permitted uses and structures within the Midtown LINC Overlay District are the same as those permitted in underlying zoning districts except as provided in Table 14-5.5-2 and as permitted for *qualifying projects* as defined in this Subsection.

Table 14-5.5-2: Midtown LINC Overlay District - Additional Permitted & Prohibited Uses

Table 14-5.5-2: Midtown LINC Overlay District - Additional Permitted & Prohibited Uses (See Note 1)			
ADDITIONAL USES		**PROHIBITED USES**	
CATEGORY	**Specific Use**	**CATEGORY**	**Specific Use**
RESIDENTIAL	Dwellings, Multiple-family	RESIDENTIAL	Mobile homes; Mobile home parks
		COMMERCIAL	Sexually Oriented Businesses
			Vehicles and Equipment (2)
			Outdoor Storage
			Storage (3)
			Industrial (4)
			Warehouse & Freight Movement

NOTES:
1. Uses listed are additions to, or deletions from, the list of otherwise permitted uses within underlying zoning districts. See Table 14-6.1-1 for a complete listing of use categories and permitted uses per underlying zoning district. See Table 14-5.5-4 for additional uses permitted if associated with a *qualifying project*.
2. Parking lots and garages are permitted as *accessory* uses when associated with a *qualifying project*.
3. Individual storage areas enclosed within a building and that are part of a *qualifying residential project* are permitted.
4. Research, experimental and testing laboratories are permitted.

(b) Qualifying Projects

As used in this Subsection 14-5.5(D):

(i) *Qualifying project* means a new *development* within the

Midtown LINC Overlay District that complies with the requirements of this Subsection 14-5.5(D) and that is either a *qualifying residential project* or a *qualifying non-residential project* as defined in this Subsection.

(ii) *Qualifying residential project* means a new *development* that: (a) is composed solely of new *multiple-family dwellings,* or (b) results in a *development* that is a mix of primarily new *multiple-family dwellings* and any lesser amount and combination of the eligible non-residential uses listed in Table 14-5.5-3 as measured by *gross floor area.*

(iii) *Qualifying non-residential project* means a new *development* that is composed of a new *building* or *buildings*, or of *alterations* to an existing *building* or *buildings*, for the eligible uses identified in Table 14-5.5-3.

(iv) *Development* projects not meeting the definitions of this Subsection 14-5.5(D)(4)(b) are permitted as provided in Subsection 14-5.5(D) but are not *qualifying projects*.

(v) The *land use director* may adopt submittal requirements and review policies in accordance with Subsection 14-2.11(B) as necessary to verify that *qualifying projects* meet the requirements of this Subsection 14-5.5(D).

Table 14-5.5-3: Midtown LINC Overlay District - Non-Residential Uses Eligible for *Qualifying Projects*

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Table 14-5.5-3: Midtown LINC Overlay District - Non-Residential Uses Eligible for *Qualifying Projects*		
USE CATEGORIES (See Note 1)	**For Inclusion in *Qualifying Residential Projects***	**As *Qualifying Non-Residential Projects***
Pre-Schools, Daycare for Infants & Children (All)	X	X
Educational (All; including Libraries)	X	X
Community Centers & Institutions (All)	X	X
Parks and Open Space (All) (2)	X	X
Arts Activities (All)	X	X
Assembly	X	
Food and Beverage (All) (3)	X	X
Medical (All)	X	X
Public Transportation	X	
Recreation and Entertainment (All)	X	X
Retail Sales and Services (All)	X	X (8)
Service Establishments (All)	X	X
Storage (4)	X	
Vehicles and Equipment (5)	X	
Industrial (6)	X	X
Manufacturing and Production (7)	X	X

NOTES:
1. Eligible uses listed in this table are permitted uses when part of a *qualifying project*. See Table 14-6.1-1 for a complete listing of use categories and permitted uses in underlying zoning districts.
2. Except cemeteries, mausoleums & columbariums.
3. Except restaurants with drive-through/drive-up service.
4. Only individual storage areas completely enclosed within a building and that are intended to serve the associated *qualifying residential project.*
5. Only parking lots and garages that are intended to serve the associated *qualifying project.*
6. Research, experimental and testing laboratories only.
7. Light assembly and manufacturing (including "maker" spaces) only.
8. Neighborhood grocery stores and laundromats only.

(5) General Standards

(a) Unless otherwise specified in this Subsection 14-5.5(D), permitted uses and *development* standards within the Midtown LINC shall conform to the requirements of the underlying zoning district of a property.

(b) The *land use director* may permit alternate means of compliance

with the provisions of this Subsection as provided in Subsection 14-2.11(C).

(c) In the event of conflicts between the requirements of this Subsection 14-5.5(D) and the requirements of underlying zoning districts, platted *building setbacks* or existing easements, the requirements of this Subsection shall apply.

(6) Building Envelope Standards and Measurements

Table 14-5.5-4: Midtown LINC Overlay District - Table of Dimensional Standards

Table 14-5.5-4: Table of Dimensional Standards for the Midtown LINC Overlay District

DEVELOPMENT TYPE	Max. Gross Density (Dwelling units/Acre)	Min. Lot Size	Max. Height of Structures (Feet)[1]	Yard Requirements (Feet)	Max. Lot Coverage (%)	Min. Required Open Space
Qualifying Residential Projects (As defined in Subsection 14-5.5(D))	N/A	Same as C-2 District	50[2]	Minimum Street: 0[3] Side: 5 Rear: 10[4] Maximum Street: 5[5]	None	Same as C-2 District (See §14-7.5(D))
All Other Development	Same as C-2 District	Same as C-2 District	Per Underlying District Standards	Per Underlying District Standards except as noted below Maximum Street: 5[3,5]	Per Underlying District Standards	Per Underlying District Standards

NOTES:

1. Elevator "over-runs" and renewable energy generating equipment (such as solar photovoltaic panels and wind turbines) mounted on *buildings* shall not be included in the calculated height of a *building.*
2. Maximum height of structures 50 feet, except where a structure associated with a *qualifying residential project* will be located within one hundred fifty (150) feet of an existing *residential development* located outside of the Midtown LINC Overlay District, in which case the maximum height of a structure associated with a *qualifying residential project* shall be 38 feet.
3. Except that 4th stories along *street-frontage façades* shall be set back a minimum of 15 feet from the story below.
4. *Rear yard* 10 feet, except at the rear of a *lot* abutting an existing *residential development,* in which case there shall be a *required rear yard* of not less than 25 feet.
5. Maximum Street *yard* 5 feet, except that: (a) up to 30% of a *street-frontage façade* may be set back greater than 5 feet for entryways and integral courtyards, or to accommodate other aspects of a *building's* design, and (b) *street-frontage façades* may be set back greater than 5 feet in locations where existing utility easements prevent compliance with this requirement.

(7) Site Design, Circulation and Parking

(a) New *buildings* or additions to existing *buildings* shall be oriented so that their primary *façades* face St. Michael's Drive, Cerrillos Road, or other *street frontages* as applicable.

(b) Perimeter screening of parking areas shall be in accordance with Subsection 14-8.4(I)(2) except that *screening* walls, hedges or berms shall not exceed four feet at maturity and shall be provided with multiple openings adjacent to *street frontages* to maximize of pedestrian permeability between *street* sidewalks and parking areas.

(c) Sidewalks along the *street frontages* of St. Michael's Drive and Cerrillos Road shall be provided in accordance with Section 14-9.2(E), Sidewalks, and shall be a minimum of fifteen (15) feet wide. Where existing sidewalks are widened to meet this requirement, the widening shall occur on the *building* side of the existing sidewalk.

(d) Vehicular access shall be from the side or rear of the *lot* to the extent possible.

(e) Vehicular access between and among adjacent *lots* shall be provided where possible.

(f) New *buildings* shall have accessible pedestrian connections to St. Michael's Drive or Cerrillos Road as applicable. *Building* entrances shall have the same general elevation as the *street frontage* sidewalks adjacent to the entrance. Site grading shall not result in the need for steps or ramps from the *street frontage* sidewalk to the *building*. Visual and physical barriers to *building* entrances shall be minimized.

(g) Sidewalks and other pedestrian pathways connecting *buildings* to the *street* and to parking areas shall be a minimum of six (6) feet wide and shall be clearly defined.

(g) Loading docks shall be located at the side or rear of *buildings* and shall be fully screened so that the loading dock is not visible from St. Michael's Drive or Cerrillos Road as applicable. The *screening* shall be integrated with the *building* architecture, materials and construction.

(h) Electrical transformers and trash enclosures shall be located at the side or rear of *buildings* and shall be screened from view of public roadways and sidewalks by walled enclosures or landscape *screening*. *Wall*-mounted utility boxes shall be painted the same color as the nearest *building* on site.

(i) Water system backflow preventers shall be located inside *buildings*. Where it is not feasible to locate a water system backflow preventer inside a *building*, the backflow preventer shall be located at the side or rear of *buildings* and shall be screened from view of adjacent public roadways and sidewalks by walled enclosures or landscape *screening*.

(8) Architecture

In addition to the requirements of Section 14-8.7, Architectural Design Review, the following provisions shall apply.

(a) *Lot* configuration and available *street frontage* permitting, the longest *façade* of all new *buildings* on *lots* abutting St. Michael's Drive or Cerrillos Road shall be aligned parallel with the *street*

frontage of St. Michael's Drive or Cerrillos Road as applicable.

(b) The primary entrance to any new *building* on a *lot* abutting St. Michael's Drive or Cerrillos Road shall be visible from St. Michael's Drive or Cerrillos Road as applicable.

(c) *Building walls* along *street frontages* shall not extend more than twenty feet, measured horizontally, without openings. Doors, windows or display windows shall be considered openings.

(d) Doors intended for vehicular access to *buildings* on *lots* abutting St. Michael's Drive or Cerrillos Road shall not face St. Michael's Drive or Cerrillos Road as applicable.

(e) Except as noted in this Subsection, rooftop equipment shall be fully screened so that the equipment is not visible from the adjacent public *rights-of-way*. *Screening* shall be integrated with the associated *building's* architecture, materials and construction. *Screening* of renewable energy generating equipment (such as solar photovoltaic panels and wind turbines) mounted on *buildings* is not required; however such equipment shall be incorporated into the architectural design of a *building* to the extent possible.

(9) Landscaping Standards

In addition to the requirements found in Section 14-8.4, Landscape and Site Design, the following provisions shall apply.

(a) On-site storm water *detention* or *retention* facilities shall be located underground unless constructed as part of parks or open space, or unless constructed as part of an *active water harvesting* system, in which case the *active water harvesting* system shall be incorporated

into the architectural design of a *building* to the extent possible.

(b) *Qualifying residential projects* shall provide a minimum five (5) foot wide landscaped area around the base of exterior *building walls*.

(c) *Street trees* shall be planted at a maximum spacing of thirty (30) feet on-center along the *street frontages* of *development* sites on St. Michael's Drive or Cerrillos Road as applicable. Existing *street trees* within the above areas may be counted toward this requirement. *Street trees* shall have a minimum four (4) inch *caliper* at time of planting and shall have a minimum mature height of twenty-five (25) feet. The required spacing of *street trees* may be adjusted to allow for the clustering of trees as part of a *development's* landscape design as determined by the *land use director*. The location and minimum mature height of *street trees* may be adjusted where conflicts exist with overhead or underground utility lines, site visibility triangles, crosswalks, bus stops, or on-street parking spaces.

(d) A minimum of thirty (30) percent of required plant material shall be evergreen.

(e) Areas of the *parkway* that are located along the *street frontages* of *development* sites, and that are not developed with sidewalks as required by Subsection 14-5.5(D)(7)(c), shall be *landscaped* as part of the required *landscaping* of a *development.*

(f) *Qualifying non-residential projects* and other non-residential *development* adjacent to existing *residential development* located outside of the Midtown LINC Overlay District shall provide a continuous *landscaped* buffer strip of not less than fifteen (15) feet

where abutting the existing *residential development*. Plant material in the *landscaped* buffer strip shall conform to the requirements for open space provided in Subsection 14-8.4(H).

(10) Signage

In addition to the requirements found in Section 14-8.10, Signs, the following provisions shall apply.

(a) Pole-mounted *signs* are prohibited.

(b) Monument *signs* shall not exceed four feet in height.

(c) *Signs* shall be setback a minimum of fifteen (15) feet from any public *right of way* unless *wall-* or *building*-mounted.

(d) *Wall-* or *building*-mounted *signs* shall not extend above the roofline or parapet.

(e) Roof-mounted *signs* are prohibited.

(f) The provisions of Subsection 14-8.10(B)(4), Maximum Number of Colors and Lettering Styles, do not apply within the Midtown LINC Overlay District.

(g) The provisions of Subsection 14-8.10(B)(5)(d) do not apply to *signs* mounted on the *building walls* of *qualifying projects* within the Midtown LINC Overlay District.

(h) *Wall signs* associated with a *qualifying project* within the Midtown LINC Overlay District and whose *sign* faces are mounted perpendicular to a *building wall* may extend up to five (5) feet from the *wall*, including *signs* that project over a front property line, providing that such a *sign* shall not impede or endanger pedestrian or vehicular traffic.

(11) Site Furnishings

(a) A minimum of one bench per ten thousand (10,000) gross square feet of *building* is required on the site and shall be located adjacent to the *street frontage* of the *development*, or to the primary *building* entrance, or within a public or private amenity provided by the *development*.

(b) At least one bench per *development* shall be shaded by a tree or a shade structure.

(c) Where multiple benches are required, a trash receptacle shall be provided adjacent to one of the benches.

(d) All site furnishings on a *development* site, including bicycle racks required by Subsection 14-8.6(E), benches, trash receptacles and light fixtures shall be of a coordinated design style and color.

(12) Outdoor Lighting

In addition to compliance with Section 14-8.9, Outdoor Lighting, the following provisions apply.

(a) Pole-mounted lights shall not exceed twenty (20) feet in height.

(b) Lamps of *building*-mounted light fixtures shall not be placed more than twelve (12) feet above the exterior grade at the perimeter of a *building* unless the outdoor lighting is part of the illumination of a *wall*-mounted *sign* in accordance with Subsection 14-5.5(D)(10)(g).

(13) Additional Requirements for *Qualifying Projects*

In addition to the requirements of this Subsection 14-5.5(D), *qualifying projects* shall comply with the following requirements:

(a) *Qualifying projects* shall utilize a detailed alternative development

water budget ("Option B" water budget) in accordance with Subsection 14-8.13(B)(2)(b) and applicable adopted administrative procedures.

(b) *Qualifying projects* shall utilize the following water-saving fixtures, appliances, and systems where applicable, throughout all new construction:

(i) waterless urinals;

(ii) dual-flush, high-efficiency toilets (HETs) (rated 1.28 gallons or less per flush);

(iii) EPA WaterSense® certified showerheads (or equivalent fixtures rated at 2.0 gallons per minute or less);

(iv) ENERGY STAR® compliant clothes washers;

(v) *active water harvesting* systems.

(c) The *land use director* shall not issue a construction *permit* for a *qualifying project* until a restrictive covenant is recorded by the owner of the *development* at the office of the county clerk that requires that the *development* will contain no uses that do not meet the requirements for a *qualifying project* for a period of at least five years from the completion of the project's construction. The covenant shall be in a form approved by the *land use director* and the city attorney and shall be notarized prior to recordation. The covenant shall be considered part of a *development* plan approved pursuant to Subsection 14-3.8(B)(9). The *land use director* shall maintain copies of recorded covenants pursuant to the provisions of this Subsection.

(14) Fee Incentives for *Qualifying Projects*

The following fee incentives apply to *qualifying projects* within the Midtown LINC Overlay District:

(a) Construction Permit Fees; Plan Review Fees

Qualifying projects are exempt from the payment of construction permit fees and plan review fees as set by Resolution of the governing body, as may be amended from time to time.

(b) Development Review Fees

Qualifying projects are exempt from the payment of development review fees as set by Resolution of the governing body, as may be amended from time to time.

(c) Development Water Budget Fees

Qualifying projects shall obtain water to meet approved *development* water budgets through the water rights transfer program or through the water conservation credit program or through a combination of both, and at the reduced rate specified in Subsection 14-8.13(E).

(d) Impact Fees

Qualifying projects are exempt from the payment of impact fees in accordance with Subsection 14-8.14(D).

(e) Wastewater Utility Expansion Charge (UEC)

The wastewater utility expansion charge (UEC) is waived for *qualifying projects* in accordance with Article 22-6.6, Exhibit A, Section 7.

(f) Water Utility Expansion Charge (UEC)

Qualifying projects are exempt from the payment of the water utility expansion charge (UEC) in accordance with Article 25-4.2, Exhibit B, Rate Schedule 8.

Section 2. Subsection 14-3.8(B) SFCC 1987 (being Ord. #2013-16, §11) is amended to read:

(B) Applicability

(1) Early neighborhood notification and notice and conduct of public hearings are required pursuant to the general provisions of Sections 14-3.1(F), (H) and (I).

(2) A *development* plan is required in conjunction with rezoning *applications* in certain districts as provided in Chapter 14, Articles 4 (Zoning) and 5 (Overlay Zoning Districts).

(3) Approval of a *development* plan by the planning commission is required prior to new *development* that meets any of the following criteria:

(a) *gross floor area* of thirty thousand square feet or more and is located within any zoning district of the *city*;

(b) *gross floor area* of ten thousand square feet or more in a *residential* district or in the C-1, C-2, C-4, BCD, HZ, I-1, I-2, BIP, PRRC, RS, SC or MU district and is within two hundred (200) feet, including public *rights of way*, of RR, R-1 through R-6, R-7, R-7-I, R-8, R-9, RC-5, RC-8, R10, R-12, R-21, R-29, RAC, AC, PRC and MH districts;

(c) *flea market* with fifteen or more vendors; or

(d) outdoor *commercial recreational uses* in any zone where the total area devoted to recreation and related pedestrian circulation and

amenities, excluding parking and vehicular circulation areas, exceeds fifteen thousand (15,000) square feet in any zone; provided that this provision does not apply to temporary carnivals, circuses and similar short-term entertainment uses required to obtain a *permit* from the *city*.

(4) The *development* plans described in Subsections (B)(2) and (3) shall be reviewed by the planning commission.

(5) This section applies where the cumulative square footage of multiple *permits* meets or exceeds the criteria in Subsections (B)(2) or (3) or a combination of those subsections when the *permits* are for coordinated *development* of a *project* comprising multiple *buildings* or outdoor uses, including phased *projects* and *projects* involving *development* of adjoining commonly owned *parcels*.

(6) This section does not apply to the construction of *single-family dwellings*, each of which has a *gross floor area* of ten thousand (10,000) square feet or less, including *accessory buildings*, on *lots* created prior to the effective date of Ordinance No. 1999-13 or on *lots* within a subdivision that was subject to early neighborhood notification procedures. This section does apply to construction of any *single-family dwelling* that has a *gross floor area* greater than ten thousand (10,000) square feet, including *accessory buildings*.

(7) No additional *development* plan review is required if the new or changed use or *development* described in Subsections (B)(2) and (3) was part of a *development* plan approved as part of a rezoning or other action before the *governing body* or the planning commission, and for which an early neighborhood notification meeting occurred as set forth in Section 14-3.1(F).

(8) Approval of a *development* plan by the *land use director* is required for multiple-*family development* comprising three or more *dwelling units* with a *gross floor area* less than ten thousand (10,000) square feet.

(9) This section does not apply to the construction of *qualifying projects* within the Midtown LINC Overlay District with the exception that approval of a *development plan* by the *land use director* is required prior to, or concurrent with, the issuance of a construction *permit* for a *qualifying project*.

Section 3. Table 14-6.1-1 SFCC 1987 (being Ord. #2013-16, §29) is amended to amend the following footnote in the Table of Permitted Uses:

* Special use permit required if located within 200 feet of *residentially-zoned property* unless a *qualifying project* located within the Midtown LINC Overlay District; otherwise permitted.

Section 4. Article 14-6.2(A)(7) SFCC 1987 (being Ord. #2016-20) is amended to read:

(7) Dwelling Units in Specified Commercial Districts

In the C-2 and SC Districts, *dwelling units* do not include *mobile homes* or *recreational vehicles* and shall be either:

(a) *accessory dwelling units* for occupancy only by *owners, employees* or tenants of *nonresidential* uses that are operated on the same *premises*;

(b) part of a planned *development*; or

(c) part of a use for which a *development plan* or special use *permit* is required[.]; or

(d) part of a *qualifying residential project* within the Midtown LINC Overlay District.

Section 5. Article 14-8.6(B)(4) SFCC 1987 (being Ord. #2011-37, as amended) is

amended to read:

(4) Combined Uses; Shared Parking

(a) Combined uses on the same *premises* shall provide the combined total number of spaces required for each use separately, unless a shared parking plan is approved.

(b) Uses on *premises* comprising more than one *legal lot of record* may provide shared parking in accordance with an approved shared parking plan.

(c) Parking required for uses located on adjoining *lots* in RAC, C, BCD, BIP, MU, SC or I districts, [~~or~~] for institutional uses located on adjoining *lots* in *residential* districts, <u>or for a *qualifying project* within the Midtown LINC Overlay District,</u> may be provided on a joint basis. Within the joint parking areas, the spaces required for each of the participating uses shall be marked on the parking plan and maintained as allocated to the individual use, unless a shared parking plan is approved. (Ord. No. 2013-16 § 50)

(d) Cumulative parking space requirements for *mixed-use* occupancies or adjoining *mixed uses* may be reduced if the *applicant* demonstrates that the peak requirements of the several occupancies occur at different times, such as mid-day for office uses and evening for *residential* uses, as supported by a parking demand study.

(e) Reduction in the total number of spaces required by the addition of all uses in the BCD or as specified in Subsection 14-8.6(A) may be approved by a *land use board* pursuant to a special use *permit* or *development* plan if the reduction is supported by a parking demand

study.

(f) Reduction in the total number of spaces required by this Section 14-8.6 for *qualifying projects* within the Midtown LINC Overlay District shall be approved by the *land use director* pursuant to Subsection 14-3.8(B)(9) if the reduction is supported by a parking demand study prepared by the *qualifying project* applicant. In addition to the shared parking provisions of this Subsection, the total number of spaces required as determined by a shared parking plan or parking demand study may be reduced by the number of on-street parking spaces present in the Midtown LINC Overlay District adjacent to a *qualifying project.*

Section 6. Table 14-8.7-2 SFCC 1987 (being Ord. #2011-37 § 10) is amended to read:

Table 14-8.7-2: Architectural Design Standards and Point Allocations

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

TABLE 14-8.7-2: Architectural Design Standards and Point Allocations (See Note 1)		
Architectural Design Standards		**Points[1]**
WALLS		
Predominant Exterior Surface Material	Stucco, adobe	30
	Brick, natural stone, and integrally colored unit masonry	25; 30*
	Concrete and non-integrally colored unit masonry	20; 30*
	Metal siding, glass curtainwall systems, glass block, wood siding, and simulated materials	10; 30*
	Mirrored glass curtainwall systems	-10
Color of Predominant Exterior Surface Material	Earthtones, creams, and pastels of earthtone hues including but not necessarily limited to rose, peach, and terra cotta colors	30
	Pastel colors of non-earthtone hues, whites, grays, and grayish greens	15; 30*
	High-intensity colors	-10; 10*
	[~~High-intensity colors, m~~]Metallic colors, glass and black	-10
Exterior Surface Treatment	(A) Wall surfaces appear monolithic with at least 75 percent of the total wall area one material and one color. Differing shades of the same general hue shall not be considered different colors. Non-solar fenestration, window and door awnings, applied trim, and accent materials, colors, and decorative bands, with the exception of stucco, masonry or concrete control joints, are used in such a way that they do not give a panelized or prefabricated appearance, produce striped or checkerboard patterns, or exceed 25 percent of the surface area of any façade. Fenestration and/or accent colors on wall surfaces under portals or canopies having a horizontal depth of at least six feet shall be exempt from area calculations	10
	(B) Wall surfaces do not meet the criteria set forth in paragraph (A) above	-10

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ROOFS		
Form	(A) Flat roof surfaces entirely concealed from public view by parapets	20
	(B) Flat roof surfaces not entirely concealed from public view by parapets, uniformly sloping roofs, or any combination of flat and uniformly sloping roofs, having a height, from springline to peak, that does not exceed the average height of the supporting walls and having a slope with greater than or equal to four feet of vertical rise for every 12 feet of horizontal run and less than or equal to 12 feet of vertical rise for every 12 feet of horizontal run	15
	(C) Uniformly sloping roofs or any combination of flat and uniformly sloping roofs, having a height, from springline to peak, that does not exceed the average height of the supporting walls and having a slope with less than four feet of vertical rise for every 12 feet of horizontal run or having a slope with greater than 12 feet of vertical rise for every 12 feet of horizontal run	10
	(D) Any type of sloping roof having a height, from springline to peak, that exceeds the average height of the supporting walls; non-uniformly sloping roofs; or any combination of flat and non-uniformly sloping roofs	-10
Predominant Material	(A) All surfaces are concealed from public view	20
	(B) Standing, flat, or batten seam metal roofing, or membrane, asphalt or gravel surfaces exposed to public view	15
	(C) Flat tiles of clay, concrete or slate	10
	(D) Barrel tiles of clay, concrete, or slate; and asphalt shingles	5
	(E) Wood shingles or shakes and other materials including but not necessarily limited to plastic, fiberglass or metal roof tiles	-10
Predominant Color	(A) All surfaces are concealed from public view	15
	(B) Dark reds, browns, and earthtones, and natural metals including aluminum, zinc, tin, and lead	10
	(C) Low-intensity colors other than those stated above	5
	(D) White	0
	(E) Bright, non-fading, high-intensity colors and any use of multiple colors	-15

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

BUILDING FORM		
Massing	(A) One-story buildings with over 10,000 square feet of gross floor area and multi-story buildings with over 20,000 square feet of gross floor area which are designed with wall plane projections or setbacks on each publicly visible façade having a depth of at least three percent of the length of the façade and extending at least 20 percent of the length of the façade	30
	(B) One-story buildings with less than or equal to 10,000 square feet of gross floor area and multi-story buildings with less than or equal to 20,000 square feet of gross floor area which are designed with either offsetting wall planes or upper story stepbacks of at least four horizontal feet, or a recessed entry space or projecting canopy or portal having a depth of at least six horizontal feet, on at least one publicly visible façade	30
	(C) Buildings not utilizing the massing techniques described in paragraphs (A) or (B) above	0
DOORS AND WINDOWS		
Treatment	(A) More than 50 percent of doors, windows and glazed surfaces, which are not located under portales or canopies having a horizontal depth of at least six feet, have either frames recessed a minimum of two inches, are cased with trim, have divided lites, or have exposed or otherwise articulated lintels	20
	(B) More than 50 percent of doors, windows and glazed surfaces do not meet the requirements set forth in paragraph (A) above	0; 20*
Area	(A) All wall surfaces which are not located under portales or canopies having a horizontal depth of at least six feet, and which do not include solar fenestration, have less than or equal to 50 percent openings consisting of doors, windows, glazing and other penetrations	20
	(B) Wall surfaces do not meet the requirements as set forth in paragraph (A) above	0; 20*
Location	(A) All doors, windows and glazed surfaces, on structures having a gross floor area greater than 150 square feet, are located at least two feet from outside building corners	20
	(B) All doors, windows and glazed surfaces, on structures having a gross floor area less than or equal to 150 square feet, have at least a two inch mullion at inside and outside building corners	20
Glazing	(A) All glazing is clear or tinted neutral gray	10
	(B) Any use of colored glazing	0; 10*
	(C) Any use of mirrored glazing	-10

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

EQUIPMENT		
Screening	(A) All roof and wall mounted mechanical, electrical, communications, and service equipment, including satellite dishes and vent pipes, are screened from public view by parapets, walls, fences, dense evergreen foliage, or by other means	10
	(B) All building mounted equipment set forth in paragraph (A) above is either screened; and/or painted to match visually adjacent surfaces	5
	(C) All building mounted equipment set forth in paragraph (A) above is not screened and/or painted to match visually adjacent surfaces	-10

NOTES:
1. Point values denoted by an asterisk (*) apply within the Midtown LINC Overlay District.

Section 7. Article 14-8.13(E) SFCC 1987 (being Ord. #2011-37, §11) is amended to read:

(E) Dedication of Water to Development

(1) A *building permit application* shall not be approved until the *applicant* has dedicated water to meet the approved *development* water budget for the *development* project plus a 9.8% contingency that covers water utility delivery requirements, as documented by the Water Division dedication form and complied with the conditions thereof. This contingency water is comprised of water used for community health and safety purposes, such as firefighting and fire hydrant testing, water used in production for flushing of water distribution and sewer lines, and also results from meter errors, line leaks, and losses from water main breaks.

(2) Based on the approved water budget for a *development* project, the *applicant* shall obtain water through either the water rights transfer program (Section 25-12 SFCC 1987) or the water conservation credits program (Section 25-11 SFCC 1987) to meet the *development* water budget according to the following criteria:

(a) *Applications* for *residential* uses which have a *development* water

budget equal to or greater than ten acre-feet per year shall obtain water through the water rights transfer program;

(b) *Applications* for *residential* uses which have a *development* water budget less than ten acre-feet per year, designated as small *development* projects, shall obtain water through the water rights transfer program or the water conservation credit program or through a combination of both;

(c) *Applications* for *non-residential* uses which have a *development* water budget equal to or greater than five acre-feet per year shall obtain water through the water rights transfer program;

(d) *Applications* for *non-residential* uses which have a *development* water budget less than five acre-feet per year, designated as small *development* projects, shall obtain water though the water rights transfer program or the water conservation credit program or through a combination of both;

(e) *Applications* with both *residential* and *non-residential* uses each in substantial amounts which have a *development* water budget equal to or greater than seven and one half acre-feet per year shall obtain water through the water rights transfer program; [~~and~~]

(f) *Applications* with both *residential* and *non-residential* uses each in substantial amounts which have a *development* water budget less than seven and one half acre-feet per year shall either obtain water through the water rights transfer program or the water conservation credit program or through a combination of both[~~.~~]; and

(g) *Applications* for *qualifying projects* within the Midtown LINC

Overlay District as defined in Subsection 14-5.5(D)(4)(b) shall obtain water though the water rights transfer program or the water conservation credit program or through a combination of both. Water for *qualifying projects* obtained through the water conservation credit program shall be paid for at the rate of $12,000 per acre-foot.

Section 8. Article 14-8.14(D) SFCC 1987 (being Ord. #2011-37, §11 as amended) is amended to read:

(D) Exemptions, Waivers and Reimbursements

(1) Certain types of *permits* for *new* construction shall be exempt from the terms of this Section 14-8.14. An exemption shall be claimed at the time of construction *permit application*. The *land use director* shall determine the validity of a claim for exemption pursuant to the criteria set forth in this Subsection 14-8.14(D). The following are exempt from the provisions of this Section 14-8.14: (Ord. No. 2014-28 § 7)

(a) *alterations* of, or additions to, existing *residential* uses where no additional *dwelling units* are created;

(b) replacement of a destroyed, partially destroyed or moved *residential building* or *structure* with a new *building* or *structure* of the same use and the same size and with the same number of *dwelling units*;

(c) replacement of destroyed, partially destroyed or moved *non-residential building* or *structure* with a new *building* or *structure* of the same *gross floor area* and use;

(d) construction *permits* for new *residential* units that are part of a master plan, *development* plan or subdivision *plat* where land is dedicated to the *city* to provide park land, as provided in Section 14-

8.15 (Dedication and Development of Land for Parks, Open Space, Trails and Recreation Facilities), are exempt from park impact fees; [~~and~~]

(e) parking *garages* or parking *lots*[~~.~~]; and

(f) construction *permits* for *qualifying projects* within the Midtown LINC Overlay District as defined in Subsection 14-5.5(D)(4)(b).

Section 9. Subsection 7-1.10 (being Ord. # No. 2008-1, §12) is amended to read:

7-1.10 [~~Reserved.~~] Application of the International Existing Building Code

The applicable provisions of the International Existing Building Code, as adopted in Subsection 7-1.1(A)(9), shall be applied to a construction permit upon the request of the applicant.

Section 10. Article 22-6.6, Exhibit A, Section 7 (being Ord. #1997-3, as amended) is amended to read:

7. Wastewater Utility Expansion Charge (UEC).

7.1. Except as set forth in Section 7.3, the wastewater utility expansion charge (UEC) applies to customers within the corporate limits of the city of Santa Fe, New Mexico and to customers in those areas outside the corporate limits to which wastewater service has been authorized by action of the governing body of the city of Santa Fe as follows:

7.1.1. New customers connecting to the city's wastewater system; and

7.1.2. Existing customers if there is an increase in the number of dwelling units or an increase in the size of the nonresidential water meter; however, the charge shall reflect only the increase in the number of dwelling units or the increase in the size of the meter.

7.2. The UEC shall be waived for the following:

A. Santa Fe Homes Program for-sale or for-rent units as defined in Section 26-1 SFCC 1987;

B. Housing opportunity program home or housing opportunity program rental

unit subject to a valid housing opportunity program agreement; [~~or~~]

C. A low priced dwelling unit as defined in Section 26-2 SFCC 1987[~~.~~];

D. A *qualifying project* within the Midtown LINC Overlay District as defined in Subsection 14-5.5(D)(4)(b) SFCC 1987.

7.2.1. Application for waivers of the UEC shall be made at the time of application for a building permit. Applications shall be reviewed by the office of affordable housing.

7.3. The UEC shall be as follows:

7.3.1. Single-Family Detached Dwelling Unit or Accessory Dwelling Unit

As defined in Chapter 14 SFCC 1987

(Heated Living Area)	Charge per unit
0 - 1,500 Sq. Ft.	$499
1,501 - 2,000 Sq. Ft.	$735
2,001 - 2,500 Sq. Ft.	$911
2,501 - 3,000 Sq. Ft.	$1,052
3,001 - 3,500 Sq. Ft.	$1,169
3,501 - 4,000 Sq. Ft.	$1,269
4,001 - 4,500 Sq. Ft.	$1,357
4,501 or more Sq. Ft.	$1,435

7.3.2. Multi-Family Dwelling Unit $561 per unit

Includes apartment, condominium, single family attached and residential studio units

7.3.3. Mobile Home Park Pad $902 per unit

7.3.4. Nonresidential (meter size)	Charge per meter
5/8" x 3/4"	$876
1"	$2,190
1-1/2"	$4,380

2"	$7,008
3"	$14,016
4"	$21,900
6"	$43,800
8"	$70,080
10"	$127,020

7.3.5. Any separate water meter installed for irrigation purposes only shall not be included in the calculation of the charge.

7.3.6. In the event that the development does not have a water meter, or the wastewater division director or developer believes the size of the water meter does not accurately reflect wastewater generation, the developer may submit or the director may require the submission of a study, prepared by a professional engineer, to determine the charge listed in the above table for the water meter that most closely matches the cost of capital facilities to treat the biochemical oxygen demand that will be generated by the proposed development.

7.4. The UEC shall be due prior to issuance of a building permit if the property is located in the city limits and prior to obtaining a permit to connect to the sewer if the property is located outside the city limits.

7.5. Payments of wastewater utility expansion charges shall be deposited in an account separate from other funds of the city.

Section 11. Article 25-4.2, Exhibit B, Rate Schedule 8 (being Ord. #1995-19, §1 as amended) is amended to read:

CITY OF SANTA FE - PUBLIC UTILITIES DEPARTMENT

WATER SERVICES DIVISION

RATE SCHEDULE 8

UTILITY EXPANSION CHARGE

APPLICABILITY: This Utility Expansion Charge is applicable to all new customers for connection with the City's system. Installation of a second meter and establishment of a new account for existing demand on a legal residential lot of record shall not be considered a new customer subject to application of the Utility Expansion Charge. Service will be furnished in accordance with the City's Rules and Regulations covering water service, available at the City's offices and on file with the office of the City Clerk of the city of Santa Fe, which Rules and Regulations or subsequent revisions thereof are a part of this Schedule as if fully written herein.

SERVICE AREA: Within the corporate limits of the city of Santa Fe, New Mexico and those areas outside the corporate limits to which service has been authorized by action of the governing body of the city of Santa Fe.

UTILITY EXPANSION CHARGE (UEC): The rate for the UEC shall be the sum of A and B.

A. CHARGE:

1. The Charge for a 5/8" meter service is $2,013.00.

2. The Charge for a 5/8" meter service for the following is $800.00.

a. Santa Fe Homes Program for-sale or for-rent units as defined in Section 26-1 SFCC 1987;

b. Housing opportunity program home or housing opportunity program rental unit subject to a valid housing opportunity program agreement; or

c. A low priced dwelling unit as defined in Section 26-2 SFCC 1987.

3. The Charge for each meter service size shall be determined by multiplying the Charge for a 5/8" meter service by the applicable equivalent meter EQM Factor.

4. The other meter service sizes are as follows:

Meter Service	EQM Factor	UEC
3/4"	1.5	$ 3,019.00
1"	2.5	5,032.00

1 1/2"	5.0	10,065.00
2"	8.0	16,104.00
3"	15.6	31,402.00
4"	25.0	50,325.00
6"	50.0	100,650.00
8"	80.0	161,040.00

B. SPECIAL TAX AND ASSESSMENT CLAUSE: Billings under this Schedule may be increased by an amount equal to the sum of taxes payable under the Gross Receipts and Compensating Tax Act and of all other taxes, fees, or charges payable by the City and levied or assessed by any governmental authority on the public utility service rendered, or on the right or privilege of rendering the service, or on any object or event incidental to the rendition of the service.

C. VARIANCE: In the event a developer makes an advance payment for project costs, which payment covers all costs pertaining to the project in question which are included in the UEC calculation, he/she shall upon application to the governing body of the city of Santa Fe be entitled to a variance excusing him/her from payment of the UEC. A *qualifying project* within the Midtown LINC Overlay District, as defined in Subsection 14-5.5(D)(4)(b) SFCC 1987, is exempt from payment of the UEC.

TERMS OF PAYMENT: The UEC is due when notice is provided to the Customer prior to installation of the service line.

SERVICE APPLICATION: The UEC shall apply to new services, not including the installation of a second meter and establishment of a new account for existing demand on a legal residential lot of record, located anywhere within the water service area approved by the City.

APPROVED AS TO FORM:

Asst City Attorney for

KELLEY A. BRENNAN, CITY ATTORNEY

M/Legislation/Bills 2016/Midtown LINC Overlay District

FIR No. _____

City of Santa Fe
Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. **General Information**

(Check) Bill: ____X_____ Resolution: _____
(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **AN ORDINANCE RELATING TO THE LAND DEVELOPMENT CODE, CHAPTER 14 SFCC 1987, CREATING A NEW SUBSECTION 14-5.5(D) ENTITLED THE "MIDTOWN LOCAL INNOVATION CORRIDOR OVERLAY DISTRICT" (MIDTOWN LINC OVERLAY DISTRICT) AND ESTABLISHING PERMITTED USES, DEFINTIONS, STANDARDS, AND INCENTIVES FOR QUALIFYING PROJECTS WITHIN THE DISTRICT; AMENDING THE FOLLOWING ARTICLES TO ADD PROVISIONS FOR QUALIFYING PROJECTS WITHIN THE DISTRICT: 14-3.8(B) DEVELOPMENT PLAN APPROVALS, TABLE 14-6.1-1 SPECIAL USE PERMITS, 14-6.2(A)(7) DWELLING UNITS WITHIN C-2 AND SC DISTRICTS, 14-8.6(B)(4) REDUCTION OF REQUIRED PARKING SPACES, TABLE 14-8.7-2 ARCHITECTURAL DESIGN STANDARDS AND POINT ALLOCATIONS, 14-8.13(E) DEVELOPMENT WATER BUDGET CRITERIA, 14-8.14(D) IMPACT FEES; RELATING TO THE BUILDING AND HOUSING CODE, CHAPTER 7 SFCC 1987, AMENDING SUBSECTION 7-1.10 APPLICATION OF THE INTERNATIONAL EXISTING BUILDING CODE; RELATING TO THE SEWER CODE, CHAPTER 22 SFCC 1987, AMENDING SUBSECTION, 22-6.6 EXHIBIT A SECTION 7 WASTEWATER UTILITY EXPANSION CHARGE; RELATING TO THE WATER CODE, CHAPTER 25 SFCC 1987, 25-4.2 EXHIBIT B RATE SCHEDULE 8 UTILITY EXPANSION CHARGE; AND MAKING SUCH OTHER CHANGES THAT ARE NECESSARY TO CARRY OUT THE PURPOSE OF THIS ORDINANCE.**

Sponsor(s): **Mayor Gonzales; Councilor Ives**

Reviewing Department(s): **Asset Development Office; Land Use Department; Public Utilities Department; City Attorney's Office**

Persons Completing FIR: **Matthew O'Reilly** MJO Date: **8/31/16** Phone: **x6213**

Reviewed by City Attorney: Zach Shelton Ass't City Attorney Date: 9/2/16
(Signature)

Reviewed by Finance Director: _____ Date: 9-2-2016
(Signature)

Section B. **Summary**
Briefly explain the purpose and major provisions of the bill/resolution:

The Bill creates a new overlay district in the vicinity of St. Michael's Drive between Cerrillos Road and St. Francis Drive. The Bill provides incentives for redevelopment of the area and design standards for new development.

Section C. **Fiscal Impact**

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)

b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)

c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)

b. Indicate: "A" if current budget and level of staffing will absorb the costs
"N" if new, additional, or increased budget or staffing will be required

c. Indicate: "R" – if recurring annual costs
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs

d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns

e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative).

_____ Check here if no fiscal impact

1	2	3	4	5	6	7	8
Expenditure Classification	FY **2016/17**	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY **2017/18**	"A" Costs Absorbed or "N" New Budget Required	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Personnel*	$_____	_____	_____	$_____	_____	_____	_____
Fringe**	$_____	_____	_____	$_____	_____	_____	_____
Capital Outlay	$_____	_____	_____	$_____	_____	_____	_____
Land/ Building	$_____	_____	_____	$_____	_____	_____	_____
Professional Services	$_____	_____	_____	$_____	_____	_____	_____
All Other Operating Costs	$_____	_____	_____	$_____	_____	_____	_____
Total:	$_____			$_____			

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:
a. To indicate new revenues and/or
b. Required for costs for which new expenditure budget is proposed above in item 1.

1	2	3	4	5	6
Type of Revenue	FY **2016/17**	"R" Costs Recurring or "NR" Non-recurring	FY **2017/18**	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected
Waived, Exempted Fees	**($285,524)**	**NR**	**($285,524)**	**NR**	**GF, Water, Wastewater, Impact**
Increased GRT & Property Taxes	**$ 304,490**	**Both***	**$ 304,490**	**Both***	**GF**
Total:	**$ 18,966**		**$ 18,966**		

*** Property taxes are recurring**

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

The Midtown LINC area is expected to redevelop slowly over a period of twenty years or longer. Therefore near-term net fiscal impact to city government of the proposed fee incentives are difficult to calculate. While the qualitative impacts of redevelopment are positive, especially the increase of needed multi-family housing and street-related amenities and quality of life enhancements that are the main impetus for the adoption of the overlay, the redevelopment time period stretches fiscal impacts to city government over a relatively long time period and makes the quantitative effects of reduced fees versus increased gross receipts tax revenue and property tax revenue less relevant and predictable in any given year.

Also difficult to predict is what type of redevelopment will happen first and when. As is anticipated in the ordinance itself, redevelopment will be triggered by each property owner's individual plans or expectations for their properties. The ordinance is designed to provide options and incentives for property owners at the time they chose to make a change with their properties.

In order to provide some estimation of reduced fees in comparison to increased tax revenues, two theoretical sample projects were analyzed. The first project is a sample 60-unit multi-family apartment project. The second project is a nonresidential redevelopment of a 5,000 square-foot retail space into a restaurant use. Both projects would be "qualifying projects" under the provisions of the overlay ordinance. The analyses of these projects appear on the attached supplemental pages.

Sample Project 1 yielded a total fee incentive of approximately $417,000 and yielded an increased total tax revenue of approximately $425,000. For simplicity, both the increased gross receipts tax and the lost revenue from fee incentives are assumed to occur for during the construction period, although it is likely that the secondary economic effects of the construction activities would be spread out over a longer period. Property tax increases associated with new development would be recurring annually.

Sample Project 2 yielded a total fee incentive of approximately $38,500 and an increased gross receipt tax of approximately $46,000. To be conservative, no estimate was made of addition increased revenue from restaurant sales.

To estimate the net fiscal impact to city government from sample projects such as these, it was conservatively estimated that (4) Sample 2-type projects (restaurants or other qualifying nonresidential uses) would be developed over the next 2 years and that (1) Sample 1-type project would be developed in the same time period. Using these assumptions the net revenue to the city would be:

Estimated Projects	Number	Reduced Fees		Increased Rev.		
Sample 1-type	1	($416,820)		$424,961		
Sample 2-type	4	($154,228)		$184,020		
TOTAL		($571,048)	+	$608,981	=	$37,933 (Net to City)

These calculations are of course estimates and based on predictions of market behavior. However what is not included are the additional increased property taxes generated as redeveloped properties are reassessed over time.

The above figures appear on pages 2 and 3 in tabular form and for simplicity are applied equally over FY 2016/17 and FY 2017/18.

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

The Bill amends Chapters 7, 14, 22 and 25 of the Municipal Code. The Bill establishes an overlay district similar to, and of the same general format, as other adopted overlay districts in the city.

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

If this Bill is not enacted the redevelopment of the overlay district area will not be incentivized or directed in the manner anticipated by numerous studies of the area.

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None as of this writing.

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

The accompanying staff report provides extensive details of these items.

Supplemental page 1 (Section C)

SAMPLE PROJECT 1: 60-UNIT MULTI-FAMILY APARTMENT PROJECT

ESTIMATED PROJECT COSTS

Multi-Family Apartments

Dwelling Units:		60	Cost/Unit:	$	110,000	Adj. Soft Costs:	20%
Hard Costs:	$	6,600,000	Other (Site/Off-site):	$	200,000	(Units % Hard Cost)	
Soft Costs:	$	1,320,000					
Other (Site/Off-site)	$	200,000					
Total (Project):	**$**	**8,120,000**					

FEE INCENTIVES (Multi-Family)

Fee Type	Normal Fee			Reduced Fee			Waived Amt.		TOTAL	
		Amt.	Fee Unit		Amt.	Fee Unit		Per Unit		Waived
Impact	$	2,457	per Apt. DU	$	-	per Apt. DU	$	2,457	$	147,420
Building Permit	$	30,533	Const. Value	$	-	Const. Value	$	30,533	$	30,533
Building Plan Rev.	$	15,267	50% Bldg Permit	$	-	50% Bldg Permit	$	15,267	$	15,267
Secondary Permits	$	5,000	Estimated	$	-	Estimated	$	5,000	$	5,000
Wastewater UEC	$	561	per Apt. DU	$	-	per Apt. DU	$	561	$	33,660
Water UEC	$	2,103	per Apt. DU	$	-	per Apt. DU	$	2,103	$	126,180
WABO	$	2,656	0.16 Ac-Ft/Unit	$	1,920	at 12K/Ac-Ft	$	736	$	44,160
Dev. Review (LUD)	$	14,600	Const. Value	$	-	Const. Value	$	14,600	$	14,600

TOTAL Fee Incentives: $ 416,820

ESTIMATED REVENUE

NM GRT

Construction Valuation	$	6,800,000	
City-share NMGRT Percentage		3.5375%	
Net NMGRT to City	**$**	**240,550**	
NMGRT (Secondary Effects)	$	176,564	73.4%
Total Net New NMGRT to City	**$**	**417,114**	(A)

NM Property Tax (1 Year)

		Cl-N	Rate	
Property Valuation:	$	8,160,000	120%	
Mill Rate:		0.031737	Per $1,000	
Taxable Amt.:	$	2,717,280	0.333	
Property Tax:	$	86,238		
Total Net New NM Prop. Tax to City	**$**	**7,848**	(B)	9.1%
TOTAL Net New Tax Revenue to City:	**$**	**424,961**	(A + B)	

NOTE: Estimates of new GRT are based on construction valuation only and do not include secondary effects of economic output through indirect and induced activities related to the construction. The Sacramento Regional Research Institute (SRRI), utilizing the IMPLAN input-output model has calculated that an additional $781,054 per $1.0 million of construction valuation (78.1%) can be expected from new single-family & multi-family construction. Adjusting for NM pricing by applying 2015 CPI-U (NM-Western Urban) vs CA (San Francisco area) (243/258.5) x 78.1% yields an NM-adjusted rate for secondary economic effects of 73.4%.

Supplemental page 2 (Section C)

SAMPLE PROJECT 2: 5,000 SF RETAIL TO RESTAURANT REMODEL PROJECT

ESTIMATED PROJECT COSTS

Retail Space to Restaurant Remodel

Square Footage:		5,000	Cost/Unit:	$	140	Adj. Soft Costs:	15%
Hard Costs:	$	700,000	Other (Site/Off-site):	$	50,000	(Units % Hard Cost)	
Soft Costs:	$	105,000					
Other (Site/Off-site)	$	50,000					
Total (Project):	**$**	**855,000**					

FEE INCENTIVES (Restaurant Remodel)

Fee Type	Normal Fee		Reduced Fee		Waived Amt.	TOTAL
	Amt.	Fee Unit	Amt.	Fee Unit	Per Unit	Waived
Impact	$ 4,388	per 1,000 SF	$ 4,388	per 1,000 SF	$ -	$ -
Building Permit	$ 4,638	Const. Value	$ -	Const. Value	$ 4,638	$ 4,638
Building Plan Rev.	$ 3,479	75% Bldg Permit	$ -	75% Bldg Permit	$ 3,479	$ 3,479
Secondary Permits	$ 750	Estimated	$ -	Estimated	$ 750	$ 750
Wastewater UEC	$ 4,818	Est. 2" Meter*	$ -	Est. 2" Meter*	$ 4,818	$ 4,818
Water UEC	$ 11,072	Est. 2" Meter*	$ -	Est. 2" Meter*	$ 11,072	$ 11,072
WABO	$ 48,804	0.02 Ac-Ft/Seat**	$ 35,004	at 12K/Ac-Ft	$ 13,800	$ 13,800
Dev. Review (LUD)	N/A	Const. Value	N/A	Const. Value	$ -	$ -

* Fees assume upgrade from 1" to 2" meter. ** Assuming 150 seats.

TOTAL Fee Incentives: $ 38,557

ESTIMATED REVENUE

NM GRT

Construction Valuation	$	750,000
City-share NMGRT Percentage		3.5375%
Net NMGRT to City	**$**	**26,531**
NMGRT (Secondary Effects)	$	19,474
Total Net New NMGRT to City	**$**	**46,005**

73.4%

NOTE: Estimates of new GRT are based on construction valuation only and do not include secondary effects of economic output through indirect and induced activities related to the construction. See Supplemenatl page 1 for more explanantion on accounting for secondary economic effects of construction.