

Municipality of Anchorage

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MEMORANDUM

DATE: November 7, 2016

TO: Planning and Zoning Commission

THRU: *AAA* Hal H. Hart, AICP, Planning Department Director

FROM: *TS* Terry Schoenthal, Current Planning Division

SUBJECT: Case 2016-0122, Text Amendment to AMC 21.05 - Use Regulations, allowing Health Care Facilities in the I-1 zone

Background:

This proposed text amendment to Anchorage Municipal Code Title 21, corrects a situation that has occurred in the application of old Title 21 regarding the permitting of health care facilities in I-1 industrially zoned property throughout the Anchorage Bowl.

Under old Title 21, it was not clear that health services (outpatient) facilities were prohibited in the I-1 zone to a lay user of the code, however planning staff had historically interpreted the code to prohibit this use. Code references found in old Title 21 that address this include:

(Old Code)

21.40.200 I-1 Light Industrial District,

B. Permitted Principal Uses and Structures

1. Commercial Uses

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s. Business and Professional Offices

(Interpreted by many to include health care facilities)

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E. Prohibited Uses and Structures

(There is no mention of health care facilities under this heading)

21.40.015 Effect of Use District Regulations.

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B. A structure, or use of land or a structure that is not listed as a permitted use, an accessory use, or a conditional use in one use district, but is so listed in another, is prohibited in the former use district.

Because "health services facilities" were called out specifically in districts other than I-1, but not specifically identified as an approved use in the I-1 zone, planning staff had long interpreted this to mean that healthcare facilities were barred from the I-1 zone.

The confusion is compounded by the fact that banks, pharmacies, engineering offices, law offices, veterinarians, and almost any other commercial enterprise was allowed in the I-1 zone.

It was relatively easy under old Title 21 for a developer to obtain a permit for an office building and locate health care facilities in that building as tenant improvements, having no idea they were prohibited. A number of these permits were granted.

Under new Title 21, the prohibition of health care facilities in the I-1 zone, was made much clearer. In the Table of Allowed Uses (21.05-1), health care facilities are not permitted. Following implementation of new code, owners of health care facilities located in I-1 zones have applied for permits for tenant improvements or expansions as a matter of course. They have been very surprised to find their permits have been turned down because the use is not permitted and they have been deemed an illegal non-conforming use.

Agency and Public Comments:

Reviewing agencies had no objection to the proposed code amendment. No comments from the community councils or the public were received.

Discussion:

This proposed change to Title 21 will allow health care facilities up to 15,000 gross square feet per parcel in the I-1 zone. It will not allow large medical office buildings or hospitals in the I-1 zone, but will allow medium to large outpatient practices, such as dental offices, urgent care centers, opticians and others to legally locate in the I-1 zone.

While a recent industrial lands study has raised concerns that existing industrial zones should be preserved for industrial uses, it should be noted that many similar commercial uses are allowed in the I-1 zone. Examples include professional business offices, restaurants, large retail outlets, and veterinary clinics to name a few.

Health services practices are likely to self-select locations that are commercial in nature, where public visibility is good. Much of the property, zoned I-1, falls outside of these commercial centers. Existing health care facilities that have located in I-1 zoned lands are typically near existing neighborhood centers. Compared to other commercial uses, such as self-storage facilities, auto dealerships, and big box stores, the impact of allowing neighborhood scale medical practices in the I-1 zone will have little impact on commercial consumption of the I-1 zone. This code amendment will provide a fair resolution for a number of health care facilities that have located in this zone under old Title 21 and allow a use that is quite consistent and compatible with similar allowed commercial uses already in this zoning district.

Department Recommendation:

The Department recommends approval of the ordinance amending AMC 21.05-1 Table of Allowed Uses, attached

Attachments:

1. AO 2016-0122

Submitted by: Chair, at the Request of the Mayor
Prepared by: Planning Department
For reading: August 12, 2016

**ANCHORAGE, ALASKA
AO NO. 2016–**

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE SUBSECTION 21.05.010, TABLE OF ALLOWED USES, TO ADD HEALTH SERVICES AS AN ALLOWED USE IN THE I-1 ZONING DISTRICT, UP TO 15,000 SQUARE FEET ON AN INDIVIDUAL PARCEL.

(PLANNING AND ZONING COMMISSION CASE 2016-0122)

WHEREAS, old Title 21 allowed “Business and Professional Offices” in the I-1 Zone; and

WHEREAS, many developers and professional tenants in office space interpreted that to include health care facilities; and

WHEREAS, health care facilities were not specifically identified as a prohibited use in the I-1 Zone; and

WHEREAS, health care facilities were considered a prohibited use by the Planning Department under Old Title 21 and were more clearly identified as a prohibited use under new Title 21; and

WHEREAS, there are a number of health services facilities that have been permitted in the I-1 zone under Old Title 21 and are now seeking to sell offices or remodel offices for continued use as a health care facility; and

WHEREAS, these permits have been denied under the more clear direction of new Title 21; and

WHEREAS, almost all commercial and office uses are permitted uses in the I-1 zone; and

WHEREAS, permitting health services facilities up to 15,000 square feet will have little impact on the consumption of I-1 properties as compared to other retail and commercial uses in the I-1 zone; and

WHEREAS, the Anchorage Assembly makes these findings:

1. It is in the public interest to allow more competition among health care facilities by allowing more available locations within our community. Health care costs in Anchorage are among the highest in the country.
2. Allowing health care facilities, up to 15,000 square feet per parcel in the I-1 zone provides a fair solution to those who were permitted to locate health care facilities in this zone and now face an inability to improve or re-sell the properties.

