

# Municipality of Anchorage

## MEMORANDUM

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**DATE:** September 15, 2016  
**TO:** Planning and Zoning Commission  
**THRU:** Hal H. Hart, AICP, Planning Department Director  
**FROM:** Terry Schoenthal, Current Planning Division  
**SUBJECT:** Case 2016-0122, Text Amendment to Anchorage Municipal Code, Title 21

This proposed text amendment to Anchorage Municipal Code Title 21, (New 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 care facilities were prohibited in the I-1 zone to a lay user of the code, however planning staff had historically interpreted the code to mean that this use was prohibited. Code references 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)*

21.40.200 I-1 Light Industrial District,  
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 Care Facilities" were called out specifically in districts other than I-1, but not specifically called out in I-1, planning staff had long interpreted this to mean that health care facilities were barred from the I-1 zone.

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

It was easy under Old Title 21 to obtain a permit for an office building and locate health care facilities in that building without having any idea that they were not a permitted use and 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 the 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.

#### Proposed Amendment to Title 21

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 buildings in the I-1 zone, but will allow medium to large 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 and business offices, restaurants, large retail outlets, and veterinary clinics to name a few.

Medical office buildings are likely to self-select locations that are commercial in nature, where public visibility is good. 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 healthcare facilities that have located in the I-1 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.

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

ANCHORAGE, ALASKA  
AO NO. 2016–

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AMENDING ANCHORAGE MUNICIPAL CODE (NEW CODE) SUBSECTION 21.05.010 TABLE OF ALLOWED USES TO ADD HEALTH CARE FACILITY 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)

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**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, in the I-1 zone, and were more clearly identified as a prohibited use under new Title 21; and

**WHEREAS**, there are a number of health care 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 care 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

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facilities in this zone and now face an inability to improve or re-sell the properties.

- 3. Allowing this use in the I-1 zone is not anticipated to significantly impact consumption of I-1 lands, when compared to other commercial uses.
- 3. Allowing this use in the I-1 zone will promote immediate commercial development.

**THE ANCHORAGE ASSEMBLY ORDAINS:**

**Section 1.** Anchorage Municipal Code (new code) Section 21.05.010 is hereby amended to read as follows (the remainder of the section is not affected and therefore not set out):

**21.05 USE REGULATIONS**

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**21.05.010 E. TABLE OF ALLOWED USES – RESIDENTIAL, COMMERCIAL, INDUSTRIAL, AND OTHER DISTRICTS**

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Table 21.05-1, Page 5

TABLE 21.05-1: TABLE OF ALLOWED USES – RESIDENTIAL, COMMERCIAL, INDUSTRIAL, AND OTHER DISTRICTS P = Permitted Use S = Administrative Site Plan Review C = Conditional Use M = Major Site Plan Review For uses allowed in the A, TA, and TR districts, see section 21.04.050. All other uses not shown are prohibited.																													
Use Category	Use Type	RESIDENTIAL										COMMERCIAL					INDUST.			OTHER				Definitions and Use-Specific Standards					
		R-1	R-1A	R-2A	R-2D	R-2M	R-3	R-4	R-4A	R-5	R-5.5	R-7	R-8	R-9	R-10	B-1A	B-1B	B-3	RO	MC	I-1	I-2	MI		AF	DIR	P.R	P.LI	W
	Neighborhood recreation center	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	S	P	P									S	21.05.040C.6.
	Religious assembly	S	S	S	S	S	S	S	S	S	S	S	S	S	S	P	P	P	P		P	P						P	21.05.040C.7.
	Social service facility						C	C	C							C	P	P	C									P	21.05.040C.8.
Cultural Facility	Aquarium																M		M			M					M	M	21.05.040D.1.
	Botanical gardens																										S	S	21.05.040D.2.
	Library	S	S	S	S	S	S	S	S	S						M	M	M	M									M	21.05.040D.3.
	Museum or cultural center																M	M		M	C						M	M	21.05.040D.4.
	Zoo																										C	C	21.05.040D.5.
Educational Facility	Boarding school						M	M	M									P	M									M	21.05.040E.1.
	College or university								M								M	M	M	M								M	21.05.040E.2.
	Elementary school or middle school	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M				P/M	P/M	P/M								P/M	M	21.05.040E.3.
	High school	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M	P/M					P/M	P/M	P/M								P/M	M	21.05.040E.4.
	Instructional services	C	C	C	C	C	C	C	C	P	C	C	C	C		P	P	P	P	C		P/C		P				C	21.05.040E.5.
	Vocational or trade school																	C		P		P	P	P				M	21.05.040E.6.
Health Care Facility	Health services								P							P	P	P	P	C								C	21.05.040F.1.
	Hospital/health care facility																P	P										C	21.05.040F.2.

