

Staff Report

**PROPERTY OWNER REQUEST TO INITIATE ZONING TEXT AMENDMENT TO  
HOSPITAL/MEDICAL DESIGN DISTRICT (S-HM)**

July 22, 2025

**BACKGROUND:**

**The City Council received a letter from Gary Botine of Mary Greeley Medical Center (MGMC) in June regarding desired zoning changes to the height limitations and residential use within the Hospital/Medical Design District (S-HM) for an upcoming MGMC project.**

Council directed staff to prepare a background memo about the requested changes and the MGMC project concept. This information was provided to City Council for the July 8 meeting and City Council directed staff to place the MGMC request with the background information on a future agenda for Council discussion. Since the initial request and staff memo, MGMC held a neighborhood meeting on July 7. Additional information about that meeting is included at the end of this report.

The requested amendments to the Zoning Ordinance are related to two planned buildings:

1. A new building for a Nursing Simulation and Medical Training Facility, including expanded skills labs for nursing staff and overnight rooms that may be used for staff on-call.
2. Four townhome-style dwellings for long-term housing of staff and potentially residents through a new medical residency program. *(Note: the townhomes are considered apartments under the Zoning Ordinance as the units will not be located on separate lots).*

The two buildings will be located in the southwest portion of the MGMC Campus, adjacent to Kellogg Avenue. Conceptual plans for the project are attached, including a site plan that shows the relationship of the project to the residential homes to the south.

**The MGMC Campus and broader medical office area between 10th and 13th Streets (from south to north), and Kellogg and Carroll Avenues (from east to west) is zoned Hospital/Medical Design District (S-HM). The adjacent neighborhood is zoned Residential Medium Density, and most properties are within the Single-Family Conservation Overlay District (O-SFC). See attached zoning and location map.**

**MGMC requests Council consider changes to allow for residential use and to reduce the setbacks for buildings exceeding 50 feet. The first request is to allow for household living as a permitted use in the S-HM zoning in order to construct the four townhome-style apartment dwellings. Overnight and short-term stay accommodations are a permitted**

use in the S-HM, but household living as apartment dwelling units is not allowed.

**The second request pertains to the training facility. MGMC requests a change to setbacks for buildings abutting residential zoning that exceed 50 feet in height. This change would affect the setback of the 60-foot-tall training facility from the south edge of the site. A 12-foot setback is requested in lieu of the current 50-foot setback requirement for the proposed 60-foot-tall training facility.**

The current requirements allow for a 50-foot-tall building with a 12-foot setback from the south property line that abuts residential property. **Once a building exceeds 50 feet in height, setbacks increase by an extra 30 feet for abutting residential zoning.** An eight-foot high landscape buffer is also required within the setback area abutting residential, regardless of setbacks.

### **S-HM ZONING:**

S-HM zoning uniquely applies to this area of the City. It was designed to accommodate medical services desired by the community, but also to balance the compatibility of modern office buildings located within the historic fabric of the neighborhoods around the area. This is primarily accomplished through landscaping/buffering standards and setback requirements. There are no specific design or architectural standards.

The subject area for the new building has been owned by MGMC for three decades, but it was not rezoned to S-HM until 2011 when MGMC was completing its expansion plans.

It was also in 2011 that the current requirement for increased setbacks for buildings to exceed 50 feet in height when adjacent to residential zoning was approved. The height limit was part of the 2011 MGMC request to increase the maximum height allowed in S-HM in relation to the hospital renovation. The zoning standard for an additional 30-foot setback when adjacent to residential was meant to maintain compatibility with the surrounding neighborhoods while otherwise increasing development intensities located more internal to a site.

### **POLICY ISSUES:**

There are two significant policy issues to be addressed by the requested zoning text amendment:

#### **1. Reducing the required side setbacks in S-HM abutting residential.**

The training facility does not meet setbacks along the south property line as proposed. The requested setback from the south property line is 12 feet, which would apply to a four-story building that does not abut residential or is less than 50 feet in height. **However, since the proposed building is 60 feet tall, the current required setback is 50 feet.**

Although the requested change to the setback would facilitate the MGMC proposal, it also would apply to other properties zoned S-HM that are adjacent to residential zoning, including multiple properties east of Duff Avenue.

**For comparison, staff reviewed other zoning districts for required setbacks of taller buildings and commercial buildings abutting residential areas:**

- A 20-foot setback is required for a four-story/50-foot structure in the Residential Medium (RM) Zoning District. FS-RM would also require a 10-foot high screen landscape buffer within the setback.
- A 12- to 16-foot setback is required, depending on actual physical height, for a four-story building in Residential High Density (RH).
- A 20-foot setback is required in Highway-Oriented Commercial (HOC) when abutting residential, regardless of height.
- Other commercial zones, such as Neighborhood Commercial (NC) or Convenience General Service (CGS) that may commonly be adjacent to residential areas, do not allow for buildings greater than 35 feet in height.

## 2. Allowing household living within S-HM

Currently, S-HM allows housing facilities as an accessory use. Housing facilities are short-term or overnight options for staff. They may not be a complete dwelling unit (e.g., a unit with bedroom, kitchen, and bathroom facilities). **The proposed overnight rooms in the training facility would fall under this allowance and do not require a text amendment.**

However, the allowance for housing facilities does not apply to the townhomes. They fall under the use category of household living where stays exceed 60 days. They are also independent, principal uses as complete dwelling units rather than accessory uses. **A text amendment would be required to allow household living in S-HM as a principal use to facilitate the townhome development.**

**The townhome-style apartments are an allowable building type with the RM and O-SFC zoning districts that abut the MGMC site. MGMC representatives have indicated they are willing to consider architectural design requirements similar to O-SFC to enhance compatibility along Kellogg.**

### OUTREACH:

MGMC hosted a neighborhood meeting on July 7, 2025, to solicit feedback on the project. Over 30 people were in attendance. A member of City Planning staff attended to listen to the presentation. At the meeting, MGMC representatives described the planned use of the buildings and reviewed the design of each building.

Questions and comments from the attendees were focused on why there was an interest in adding a residential use, the compatibility and design of the structures, including the townhome style, the change in standards for reduced setbacks, the overall height of the training facility, and how the changes would apply to other properties in the S-HM. **Both MGMC and representatives of the neighborhood, as requested by Council on July 8, provided more detailed summaries of the meeting. Both are attached to this report.**

### OPTIONS:

1. **Initiate amendments as requested to allow both household living and reduced**

**setbacks in S-HM as a “by-right” allowance with staff approval.**

The initial letter did not identify an approval process or limitation to the changes; the default approval process is staff review by right in the S-HM.

2. **Initiate amendments to allow both household living and reduced setbacks in S-HM to be approved as an alternative design through a Major Site Development Plan process.**

With either the requested use or setback change, staff believes the sensitivity of the area warrants a public hearing review process for approval of the design of an individual project. This would typically occur through review of a Major Site Development Plan, which ensures notice for public participation in the design review process.

3. **Initiate amendments to partially reduce the setback by eliminating the extra 30 feet of setback, but still require the minimum setback of 20 feet based on a height of 60 feet, and allow for townhomes.**

*This partially reduces the setback, but maintains consistency with similar separation distances in other zones. Twenty feet of space would allow for enhanced landscape buffering, accommodating larger trees.*

4. **Deny the setback reduction and only initiate an amendment to allow for the townhomes.**
5. **Deny the request for townhomes and only initiate the setback reduction text amendment.**
6. **Do not initiate amendments at this time.**

If no amendments are made, a three-story training facility less than 50 feet in height could be built in lieu of the townhomes within current setbacks. A larger area per floor would allow the height to be reduced and, thus, no text amendment would be required if the facility is less than 50 feet in height.

**STAFF COMMENTS:**

The requested changes are a departure from the historical development patterns of the S-HM. The site of the two planned buildings abut other residential property and staff believes that sensitivity to compatibility with the neighborhood is warranted. Balancing compatibility and hospital/medical building needs has historically been a point of emphasis for this area. If any changes are undertaken, it will be important for City Council to articulate its primary interests regarding how to address these traditional issues that apply to this area.

**ATTACHMENT(S):**

[MGMC Request Letter.pdf](#)

[MGMC Provided Summary 7.7.25 Neighborhood Meeting.docx](#)

[Neighborhood Representatives Provided Summary 7.7.25 Neighborhood Meeting.docx](#)

[MGMC 7.7.25 Neighborhood Meeting Attendees.pdf](#)

[MGMC Concept Drawings and Zoning and Location Map.pdf](#)