Minutes

Town of Hideout Planning Commission Regular Meeting and Continued Public Hearing September 21, 2023 6:00 PM

The Planning Commission of Hideout, Wasatch County, Utah met in Regular Meeting and Continued Public Hearing on September 21, 2023 at 6:00 PM electronically via Zoom meeting due to the ongoing COVID-19 pandemic.

Regular Meeting and Public Hearing

I. Call to Order

Chair Tony Matyszczyk called the meeting to order at 6:03 PM and referenced the current No Anchor Site letter which was included in the meeting materials. All attendees were present electronically.

II. Roll Call

PRESENT: Chair Tony Matyszczyk

Commissioner Rachel Cooper Commissioner Jonathan Gunn Commissioner Glynnis Tihansky Commissioner Donna Turner

Commissioner Peter Ginsberg (alternate) Commissioner Joel Pieper (alternate)

STAFF PRESENT: Polly McLean, Town Attorney

Thomas Eddington, Town Planner Timm Dixon, Director of Engineering Alicia Fairbourne, Recorder for Hideout

Kathleen Hopkins, Deputy Recorder for Hideout

OTHERS IN ATTENDANCE: Anne Gruber, Robyn Holzrichter and others who may not have signed in using proper names in Zoom.

III. Approval of Meeting Minutes

1. August 24, 2023 Planning Commission Minutes DRAFT

There were no comments on the August 24, 2023 draft minutes.

Motion: Commissioner Ginsberg made the motion to approve the August 24, 2023 Planning Commission Minutes. Commissioner Cooper made the second. Voting Yes: Commissioner Cooper, Commissioner Ginsberg, Commissioner Gunn, Chair Matyszczyk and Commissioner Pieper. Voting No: None. Abstaining: Commissioner Tihansky and Commissioner Turner. Absent from Voting: None. The motion carried.

IV. Public Hearings

Planning Commissioner Jonathan Gunn served as chair for the remainder of the meeting as Chair Matyszczyk was participating in the meeting by phone.

1. <u>Discussion and possible recommendation to Town Council regarding adopting</u> <u>Chapter 12.25 Short Term Rental Overlay (SRO) Zone which is an overlay zone that would allow short term rentals (Continued from August 24, 2023)</u>

Town Planner Thomas Eddington reviewed the Staff Report and updates to the draft ordinance which had been incorporated following the discussion from the prior Planning Commission meeting. He highlighted the town map which designated each of the Town's existing and proposed subdivisions and noted the areas which were proposed for inclusion in the SRO Zone.

Mr. Eddington discussed the criteria for inclusion in the SRO Zone which included those developments not covered under the Town's original Master Development Agreement (MDA) and/or the Master Homeowners Association (HOA). Discussion ensued regarding the specific subdivisions which should be included and how to define the geography for inclusion. It was determined that the subdivisions which should be included in the SRO Zone were Deer Springs, west of Jordanelle Parkway, and potential new subdivisions north and east of SR-248 including the potential Schoen and Bloom development parcels. It was further discussed that existing subdivisions (defined as those that are more than 1/3 built out with Certificates of Occupancy) would be excluded from the SRO Zone. Lakeview Estates was also excluded from the SRO Zone. Mr. Eddington reminded the Planning Commissioners that Deer Springs Phase 1 was already approved for short-term rentals, as was the Klaim subdivision per the original subdivision and HOA approvals.

Mr. Eddington led the discussion of the other criteria listed in the draft ordinance. Discussion ensued regarding the appropriate maximum square footage of rental units, limitations on maximum numbers of occupants for rental units, and requirements for commercial development to be included in new SRO Zone approved developments. Mr. Eddington noted anecdotal research he had conducted indicated occupancy rates of 40-60% seemed to be the normal range for the Park City area.

Commissioner Glynnis Tihansky asked if the Planning Commission was to send a recommendation of this Ordinance to Town Council for consideration, could Town Council make changes to the ordinance approved by the Planning Commission. Mr. Eddington responded yes; Town Council could make changes.

Commissioner Peter Ginsburg asked if the Bloom development's application had been reactivated. Mr. Eddington replied no, not formally, although there were discussions underway with the developer and Town staff.

Commissioner Rachel Cooper asked if the smaller unit sizes for short term rentals would encourage developers to build smaller units which might have a negative impact on property values for the community. Commissioner Ginsberg stated smaller units might not necessarily have a negative impact on property values as they provided another entry point to the Town's housing market.

Discussion ensued regarding the appropriate maximum square footage for rental units and the impact the unit size would have on the maximum occupancy for each rental unit. It was also discussed whether a requirement for renters to be related was appropriate and enforceable. After further discussion, the consensus of the Planning Commissioners was to consider increasing the maximum square footage for rental units to 2,500 square feet and setting a limit of eight occupants, regardless of whether they were related or not, for such rentals. Town Attorney Polly McLean noted software was available to

help monitor how rentals were advertised which might be a helpful tool to monitor occupancy levels, however beyond that, it would be difficult to enforce maximum occupancy of rentals.

Commissioner Gunn opened the meeting for public comment at 6:39 PM.

Ms. Robyn Holzrichter, Deer Waters resident, stated she was supportive of having rentals available for J-1 workers renting seasonally. Ms. McLean responded seasonal rentals were not applicable here as short-term rentals were for fewer than 30 days.

Ms. Anne Gruber, Deer Waters resident, asked for clarification on what would be voted on, given the discussion which seemed to alter the criteria in the draft ordinance in the meeting materials. Ms. McLean responded a motion would be put forward which would reflect any changes to the draft ordinance, based on the public comment and Planning Commission discussion, and added there would be another public hearing before the Town Council could ultimately approve the ordinance. Ms. Gruber stated she was comfortable with the discussion of changes thus far to the draft ordinance, and noted the previous public comments were not supportive of an expanded SRO Zone to include neighborhoods east of Jordanelle Parkway.

There being no further comments, the Public Hearing regarding the Short-Term Rental Overlay zone was closed at 6:46 PM.

Each Planning Commissioner was asked to share their thoughts on the proposed ordinance. Commissioner Donna Turner stated she would like to see the maximum square footage increased to something close to 2,400 square feet, and to limit the occupancy to eight people. Commissioner Ginsberg stated if occupancy levels could not be effectively policed, there should not be restrictions in the ordinance. Commissioner Gunn stated by having an occupancy limit set in the ordinance, in the event of noise complaints, the Town would have a basis for enforcement against the owner. Ms. McLean stated the Town would also be able to enforce this to some extent by monitoring how the rentals were advertised.

Commissioner Ginsberg stated he was struggling with the concept to approve short term rentals in general, which seemed to benefit the developers much more than the Town. He was not sure the additional tax revenues would be sufficient to change the character of the Town. Given his lack of support for the overall approval, the small details did not seem relevant to him.

Commissioner Tihansky stated she was comfortable with the proposals to increase the square footage, limit occupancy to eight people, and limit the geography to west of the Jordanelle and new developments east of SR-248.

Commissioner Cooper asked what the square footage would be for the proposed Deer Springs Cottages. Mr. Eddington replied the developer intended the Cottages to be smaller than his existing townhome designs, which he could certainly do under this proposed ordinance. Commissioner Cooper noted a 1,500 square foot cottage unit would probably be too small to accommodate the eight-person maximum.

Commissioner Cooper asked if the ordinance was approved, would the Planning Commission be required to approve any future new development applicant for short-term rentals. Mr. Eddington replied a future applicant who met the criteria detailed in the ordinance should be approved. He noted the ordinance was not being written for a particular applicant but was meant to set the standards for future applications.

Commissioner Cooper asked for clarification on whether Deer Springs east of Jordanelle Parkway would be included in the SRO. Mr. Eddington replied if the area is defined as west of Jordanelle Parkway, then no, other than the approvals already in place for short-term rentals in Phase 1, no other phases east of the Jordanelle Parkway would be approved.

Commissioner Joel Piper and Chair Matyszczyk did not have any additional comments.

The amended draft ordinance was as follows:

12.25.02 PURPOSE

The Short-Term Rental And Commercial Amenity (STRACA) Overlay zone is established to promote short term rentals (stays of less than 30 days) with associated commercial amenities constructed in close proximity while ensuring a cohesive neighborhood environment.

12.25.04 LAND USES & DIMENSIONAL STANDARDS

With the exception of the Land Use Table and the reference to 'Short-term Rental (<30 days)', all of the underlying zoning designation standards, and associated dimensional standards, remain in place and must be adhered to.

12.25.06 CRITERIA FOR THE SHORT-TERM RENTAL OVERLAY DISTRICT

The following criteria must be satisfied prior to the Town awarding any Certificates of Occupancy (CO) for any development designated as a Short-Term Rental And Commercial Overlay (STRACO) zone:

- A. All requirements of Section 4.07 must be satisfactorily addressed.
- B. To protect the existing residential character in the Town, the Short-Term Rental And Commercial Amenity (STRACA) Overlay zone shall be limited to land within the Town that is located west of the Jordanelle Parkway and north and east of SR 248.
- C. No Short-Term Rental And Commercial Amenity (STRACA) Overlay zone may be located within the boundaries of the Master HOA Hideout Canyon Master Planned Community.
- D. No Short-Term Rental And Commercial Amenity (STRACA) Overlay zone may be located in an established residential neighborhood which shall be defined as a recorded subdivision or phase of a recorded subdivision that has a housing unit built and with a Certificate of Occupancy (CO) awarded.
- E. Nightly rentals shall be limited to single-family detached dwelling units of less than 2,500 gross square feet. No lockout units may be considered for nightly rental use and a unit cannot be converted to create a lockout unit.
- F. No Accessory Dwelling Units (ADUs) may be located on a lot within the STRACA Overlay Zone and no ADU may have a nightly rental allowance.
- G. All nightly rentals must be for a minimum period of two consecutive days. This must be included on all advertising materials.
- H. No more than eight (8) persons may stay overnight in a single unit (e.g., apartment, condo, cottage, single-family residence, etc.) at any one time. This must be included on all advertising materials.

- I. No more than two (2) automobiles are allowed to park on the property at any time. This must be included on all advertising materials.
- J. All nightly rental contracts must include a copy of Hideout's trash, parking and noise ordinances and a 'Good Neighbor Brochure' that summarizes these requirements and what is expected of the renter. These documents must be clearly posted in the rental unit at all times.
- K. The owner of the nightly rental unit agrees to allow the Town's Building Inspector or designee and the Wasatch Fire Department's designee to conduct an annual walk-through inspection of each rental unit to ensure compliance with all Town health, safety and welfare requirements. This review will also include an assessment of local government and/or local service district responses to the property. If three (3) substantiated complaints (e.g., police, fire, or similar emergency management services) relative to a property within a 24-month period are confirmed, the nightly rental may be revoked for a period of up to one (1) year.
- L. A minimum of 2,000 net usable square feet of commercial space shall be constructed on-site for every twenty-five (25) permitted short-term rental units. If a development has less than twenty-five (25) short-term rental units, the 2,000 net usable square feet minimum still applies to the proposed development. For every short-term rental unit approved beyond twenty-five (25) units, a proportional fraction of the required square feet of net usable commercial square feet shall be constructed.
- M. 'Net usable' space shall be defined as the area accessible to customers and does not include any back-of-house square footage requirements, which shall be supplemental to the usable, or customer accessible, area(s).
- N. This commercial space shall be limited to the following uses:
 - a. Café, restaurant, bar/pub or similar
 - b. Grocer, market, sundry shop or similar
- O. The commercial space/structure shall be complete and ready for occupancy upon award of the Certificate of Occupancy (CO) for the short-term rental unit that marks the 75% completion point for the total number of permitted short-term rental units.
- P. The commercial space must be located within the subdivision, specific subdivision phase (if applicable), or neighborhood where short-term rentals are permitted and within 1,000 feet from the nearest short-term unit.
- Q. All commercial sites must be presented to the Planning Commission for review and approval per the requirements of the Concept Plan application.
- R. The commercial site must meet all requirements for commercial structures set forth in the Neighborhood Mixed Use (NMU) zoning district.

Motion: Chair Matyszczyk moved to recommend the adoption of Chapter 12.25 Short Term Rental Overlay Zone as detailed above. Commissioner Tihansky made the second. Voting Yes: Commissioner Cooper, Commissioner Gunn, Chair Matyszczyk, Commissioner Pieper, Commissioner Tihansky and Commissioner Turner. Voting No: Commissioner Ginsberg. Absent from Voting: None. The motion carried.

2. <u>Discussion and possible recommendation to Town Council regarding a new zoning designation Residential Casita (RC) (Continued from July 20, 2023)</u>

Mr. Eddington reviewed the background on the Residential Casita zoning designation, primarily initiated by the Bloom at Hideout (Bloom) project. The proposal aimed to allow smaller units, specifically cottages, with a maximum unit size of 1500 square feet. It was clarified that this zoning designation and resulting housing type was intended for resort development, rather than workforce housing.

The proposal included single-family detached units up to 1500 square feet and various conditional uses such as amphitheaters, church worship centers, community centers, swimming pools, bathhouses, fitness and wellness centers (less than 2500 square feet), meeting facilities, office facilities, personal services, restaurants (up to 2000 square feet), and maintenance facilities. It was again emphasized that this zoning designation was intended for resort development.

Conditional uses would require approval from the Planning Commission. The proposal also outlined dimensional standards, including a maximum density of eight units per acre, a minimum 35% open space requirement, minimum lot size of 3500 square feet, 50 feet of frontage, a maximum lot coverage of 1500 square feet, and specific setbacks to maintain open space.

There was a suggestion to consider a 15-foot setback for increased flexibility in building footprints. Other standards, such as driveway width and parking space requirements, were consistent with existing zoning district designations in the town.

Discussion ensued regarding setback requirements, maximum building heights, the addition of a minimum square footage and geographic limitations on where this zoning could be located which would be similar to the previously discussed short-term rental overlay zone.

Commissioner Gunn opened the meeting for public comment at 7:13 PM. There were no public comments, and the public hearing was closed at 7:14 PM.

Commissioner Cooper asked why this zoning was beneficial. Mr. Eddington reminded the Planning Commissioners the concept had originated with the Bloom development to offer an additional lodging option beyond a traditional hotel. Commissioner Ginsberg asked if the ownership of proposed casitas would remain with the resort; Mr. Eddington responded yes, that was the intention.

Commissioner Cooper asked whether it was necessary to approve this zoning if there was no applicant interested in utilizing it. Mr. Eddington replied it was intended to have the zoning available for a future applicant. Commissioner Ginsberg noted the tax revenues to the Town from a casita development should be more consistent than other nightly rentals. Ms. McLean stated the room taxes for hotel and casita units would be the same as other nightly rentals except in the Military Installation Development Authority (MIDA)-related developments which had different economics.

Mr. Eddington summarized the discussion regarding limiting the geographical areas for this zoning, which would be similar to that proposed for the SRO Zone (west of Jordanelle Parkway and east of SR-248), and not to include any subdivisions covered under the original Master Development Agreement (MDA).

Commissioner Cooper suggested continuing any decision on this matter until a developer was interested in utilizing this zoning designation. Discussion ensued regarding whether it was preferable to have the zoning approved prior to a specific applicant requesting it. Commissioner Cooper shared her concerns that approval of this zoning without a specific application might encourage developers to build small units.

In response to a question from Commissioner Gunn, Ms. McLean noted an approval of a new zoning designation was a legislative decision, and if a future applicant met all the criteria described in the zoning, the Planning Commission would need a rational basis to not approve the request. She also noted a casita development request would most likely come forward as part of a master plan on which the Planning Commission would provide broader feedback.

Commissioner Ginsberg asked if the developer of Deer Springs were to hypothetically request the use of Casita zoning, would an approval be made. Ms. McLean responded it would be a fact specific situation; Mr. Eddington added such a zoning change request would impact the existing Deer Springs MDA which set the zoning for that subdivision.

Ms. McLean noted an existing Maser HOA could, in theory, change its Covenants, Conditions and Restrictions to allow for different zoning, depending on who controlled the HOA, but it would be a steep hill to climb. Commissioner Gunn noted, for example, the Deer Waters developer could have unfettered discretion to make changes to the HOA until such time that control was turned over to owners.

Commissioner Ginsberg asked if it would be feasible to specify the proposed zoning designation be applicable only to new developments. Ms. McLean responded that while a geographic definition would be preferable, she stated existing property owners' expectations could be considered a reasonable basis for not granting an approval in an existing development. She also noted the proposed zoning was applicable to resort developments which would not apply to existing developments. Commissioner Gunn suggested additional language be included to restrict this zoning from established neighborhoods, and suggested a map be created which specified all approved areas.

Commissioner Cooper suggested adding a maximum number of casita units as part of a broader mixedused resort development to ensure a developer could not create a "casita-only" development. Mr. Eddington suggested limiting either the number of acres for casita development or the total number of casitas in an overall development. He noted that with the proposed setbacks, the maximum number of casitas would be approximately seven units per acre. It was suggested that a maximum of six units per acre would be preferable.

Mr. Eddington agreed to incorporate this feedback into the draft ordinance. After further discussion, it was decided to continue this item until the November Planning Commission meeting.

Motion: Commissioner Ginsberg moved to continue the consideration of a Residential Casita zoning designation to the November 16, 2023 Planning Commission meeting. Chair Matyszczyk made the second. Voting Yes: Commissioner Cooper, Commissioner Ginsberg, Commissioner Gunn, Chair Matyszczyk, Commissioner Pieper, Commissioner Tihansky and Commissioner Turner. Voting No: None. Absent from Voting: None. The motion carried.

VI. Meeting Adjournment

Hideout Recorder Alicia Fairbourne announced the Town was in the process of procuring new video conferencing equipment which would provide for hybrid in-person/online meetings in the future, subject to COVID conditions.

There being no further business, Chair Matyszczyk asked for a motion to adjourn.

CORPORATE

Motion: Commissioner Tihansky moved to adjourn the meeting. Commissioner Turner made the second. Voting Yes: Commissioner Cooper, Commissioner Ginsberg, Commissioner Gunn, Chair Matyszczyk, Commissioner Pieper, Commissioner Tihansky and Commissioner Turner. Voting No: None. Absent from Voting: None. The motion carried.

Deputy Recorder for Hideout

The meeting adjourned at 7:55 PM.