



**PARK CITY MUNICIPAL CORPORATION
PLANNING COMMISSION MEETING MINUTES
COUNCIL CHAMBERS
MARSAC MUNICIPAL BUILDING
AUGUST 9, 2023**

COMMISSIONERS IN ATTENDANCE: Chair Sarah Hall, Vice-Chair Christin Van Dine, Laura Suesser, Bill Johnson, John Frontero, Henry Sigg, Rich Shand

EX OFFICIO: Rebecca Ward, Assistant Planning Director; Alexandra Ananth, Senior City Planner; Virgil Lund, City Planner; Jaron Ehlers, City Planner; Jason Glidden, Affordable Housing Manager; Eric Daenitz, Director of Economic Development and Data Analytics; Mark Harrington, Senior City Attorney

1. ROLL CALL

Vice-Chair Van Dine called the meeting to order at approximately 5:30 p.m. She announced that Chair Hall would be joining the meeting remotely.

2. MINUTES APPROVAL

A. Consideration to Approve the Planning Commission Meeting Minutes from June 28, 2023.

Commissioner Johnson reported that he would abstain from the vote as he was not present for the June 28, 2023 meeting.

MOTION: Commissioner Suesser moved to APPROVE the Planning Commission Meeting Minutes from June 28, 2023. Commissioner Frontero seconded the motion.

VOTE: The motion passed unanimously with one abstention by Commissioner Johnson.

B. Consideration to Approve the Planning Commission Meeting Minutes from July 12, 2023.

Commissioner Johnson stated that he would abstain from the vote as he was not present for the July 12, 2023 meeting.

MOTION: Commissioner Suesser moved to APPROVE the Planning Commission Meeting Minutes from July 12, 2023. Commissioner Frontero seconded the motion.

VOTE: The motion passed unanimously with one abstention by Commissioner Johnson.

3. PUBLIC COMMUNICATIONS

There were no public communications.

4. STAFF AND BOARD COMMUNICATIONS AND DISCLOSURES

Assistant Planning Director, Rebecca Ward reported that Staff printed out guidelines to assist members of the public who wish to provide public input. The guidelines were available on the dais and will be reviewed at each meeting and included in the Packet for the next Planning Commission Meeting. When providing public input, speakers should state their full name and sign in. Comments shall be limited to three minutes or less and there will be a timer to provide notice when the three minutes have elapsed. She reminded the Commission that comments should be directed to the Commission and not to the applicant or audience. They also request speakers to remain civil, and for attendees to refrain from clapping or whistling. Comments should be addressed to the pending application or ordinance before the Commission. There were no further communications or disclosures.

5. CONTINUATIONS

A. 544 Deer Valley Loop Road – Condominium Plat Amendment – The Applicant Proposes to Increase the Private Area Square Footage of Each Unit, and to Expand Unit A and Unit B. PL-23-05695.

City Planner, Virgil Lund, indicated that Staff recommended the Planning Commission open a public hearing and continue the public hearing and the proposed Elliott Grove Condominium Plat Amendment at 544 Deer Valley Loop Road to a date uncertain. The continuance was requested to allow the applicant more time to compile additional required information.

Vice-Chair Van Dine opened the public hearing. There was no public comment. The public hearing was closed.

MOTION: Commissioner Johnson moved to CONTINUE 544 Deer Valley Loop – Condominium Plat Amendment, and the public hearing thereon to a date uncertain. Commissioner Suesser seconded the motion.

VOTE: The motion passed with the unanimous consent of the Commission.

B. 401 Silver King Drive, Unit 70 (Snowflower Condominiums) – Plat Amendment – The Applicant Proposes to Convert Common Area Attic Space Into Private Area Living and Storage Space for the Benefit of Unit 70. PL-23-05560.

Planner Lund reported that Staff recommended the Planning Commission open a public hearing and consider continuing the public hearing for the proposed Snowflower Condominiums 5th Amended Plat amending Unit 70, to August 23, 2023.

Vice-Chair Van Dine opened the public hearing. There was no public comment. The public hearing was closed.

MOTION: Commissioner Sigg moved to CONTINUE 401 Silver King Drive, Unit 70 (Snowflower Condominiums) – Plat Amendment, and the public hearing thereon to August 23, 2023. Commissioner Suesser seconded the motion.

VOTE: The motion passed with the unanimous consent of the Commission.

6. REGULAR AGENDA

A. 2100 Deer Valley Drive – Condominium Plat Amendment – The Applicant Proposes to Construct an Addition and Increase the Common Area at the Trail's End Condos. PL-23-05554.

Planner Lund reported that the above application was for a Plat Amendment for the Trail's End Condominiums. On July 31, 1985, the Planning Commission approved a Master Planned Development ("MPD") and Conditional Use Permit ("CUP") for the Trail's End Condominiums, formerly known as the Pine Inn. Phase 2 for the Trail's End Condominiums was approved on April 10, 1991. He added that this property was also subject to, and part of, the 12th Amended and Restated Deer Valley MPD Agreement.

Planner Lund stated that the applicant proposed two separate additions totaling approximately 393 square feet. All additions will occur under existing rooflines and will be located in common areas. He noted that no private ownership or additional units will be created or affected. He presented an image depicting Level 2 and explained that the blue line showed the proposed addition, while the dashed line represented what would be removed. Planner Lund stated that this addition would occur in a dining area.

Planner Lund presented an image showing the addition on Level 3, also highlighted in blue. The addition would total approximately 229 square feet. He reported that the proposed Plat Amendment complied with the Residential Development Zoning District requirements. He stated that the proposed additions would not encroach into any Setbacks, and no additional units were proposed.

Planner Lund also reported that the proposed Plat Amendment complied with the parking ratio requirements, and because it would not increase private area or any living space, no additional parking demand would be created. Staff found good cause for this Plat Amendment based on previous Plat Amendments approved for similar additions in a common area, and the proposed Plat Amendment would have no negative impacts on the public and would not create any new or additional non-conformities.

Planner Lund stated that Staff recommended the Commission review the proposed Plat Amendment, open a public hearing, and consider forwarding a positive recommendation for the City Council's consideration on September 14, 2023.

Commissioner Suesser asked how the common areas were currently being used. Planner Lund explained that the common area on one of the levels was a breakfast and dining area. The second area was located in the pool area and the applicant proposed to enclose a part of the wall to extend the locker room.

Commissioner Shand understood that the applicant would capture floor space underneath the existing roofline. Planner Lund commented that they were extending the walls out to the rooflines.

Vice-Chair Van Dine opened the public hearing.

Mark Murphy appeared on behalf of the Applicant and Homeowner's Association ("HOA"). He clarified that one of the areas was a fitness center and the other was in the dining facility. He confirmed they were not making any modifications to the pool itself.

There was no further public comment. Vice-Chair Van Dine closed the public hearing.

MOTION: Commissioner Sigg moved to forward a positive recommendation for City Council's consideration on September 14, 2023, for 2100 Deer Valley Drive – Condominium Plat Amendment, based on the following:

Findings of Fact

Background:

1. Trail's End at Deer Valley is subject to the Twelfth Amended and Restated Large Scale Master Planned Development Permit.
2. The property is located at 2100 Deer Valley Drive.
3. The Trail's End Condominiums are in the Residential Development (RD) Zoning District.
4. This Plat Amendment accurately identifies the square footages for all private ownership, Common Areas, and Limited Common Areas in the Trail's End Condominiums.
5. The Common Area will be increased by 393 feet, with 18 square feet of Common Area removed.
6. All proposed additions will occur under existing rooflines and no Private Area will be affected.
7. The Trail's End Condos have 85 Parking Spaces.

Conclusions of Law

1. The Plat Amendment is consistent with the Park City Land Management Code, including Chapter 15-2.13 Residential – Development (RD) Zoning District, and § 15-7.1-6 Final Subdivision Plat.
2. Neither the public nor any person will be materially injured by the proposed Plat Amendment.
3. Approval of the Plat Amendment, subject to the conditions stated below, does not adversely affect the health, safety, and welfare of the citizens of Park City.

Conditions of Approval

1. The City Planner, City Attorney, and City Engineer will review and approve the final form and content of the Plat for compliance with State law, the Land Management Code, and the Conditions of Approval, prior to recordation of the Plat.
2. The Applicant shall record the plat at the County within one (1) year from the date of City Council approval. If recordation has not occurred within one (1) years' time, this Plat approval will be void, unless a request for an extension is made in writing prior to the expiration date and an extension is granted by the City Council.
3. The plat shall note that fire sprinklers are required for all new construction.
4. The City Engineer shall review and approve all Lot grading, utility installation, public improvement, and drainage plans for compliance with City standards prior to issuance of any building permits.

Commissioner Suesser seconded the motion.

VOTE: The motion passed with the unanimous consent of the Commission.

B. 1662 Bonanza Drive - Conditional Use Permit - The Applicant Proposes to Convert Unit 1 of the Prospector Retail Building AKA Benson Condominium Building From Commercial to Multi-Unit Residential Within the General Commercial Zoning District. PL23-05718.

Planning Technician, Jaron Ehlers reported that the applicants and their team were present. Applicant Peter Ricci and Applicant Yong Hui Ahn introduced themselves to the Commission. 1662 Bonanza Drive, more commonly known as the Benson Building, is located within the General Commercial District. He presented an image showing the location of the building. He reported that Applicant proposed to convert Unit 1, located on the bottom floor, from its current commercial use to a multi-unit dwelling.

Planner Ehlers reported that on March 22, 1982, the Planning Commission approved a Condominium Plat for 1662 Bonanza Drive as the Prospector Retail Building. At that time, the building was already under construction and was nearing completion. The Planning Director at the time made clear to the Commission that the Condominium Plat would only affect ownership, not the use, which would remain commercial. On April 1, 1982, the City Council approved the Condominium Plat and during that meeting, the Community Development Director also indicated to the Council that it would not affect the use and would only affect ownership.

Planner Ehlers indicated that Applicant applied for this CUP on June 16, 2023. He indicated that multi-unit dwellings were conditional uses in the General Commercial District. He noted that upon original approval, this building was intended to be a commercial building, and the Covenants, Conditions, and Restrictions (CC&Rs) were drafted to reflect that intent. As such, Staff determined that a Plat Amendment would be required, and recommended Condition of Approval 5 that would require recordation of a Plat Amendment with Summit County. Staff also recommended the Applicant amend and record the CC&Rs with Summit County before this change of use could take effect.

As conditioned, Planner Ehlers indicated that the application complied with the Conditional Use criteria. As a commercial unit, there was a minimum requirement of three parking stalls. As a multi-unit dwelling, it would only require two parking stalls. He stated that the Prospector Owners' Association did not assign individual stalls to units, but they had an overnight parking permit program. He noted that the proposed Condition of Approval 3 would require the Applicant to obtain an overnight parking permit to mitigate any parking concerns.

Planner Ehlers stated that the proposed Condition of Approval 4 required that any change of use would still need to comply with the Sign Code as well as the existing Master Sign Plan for the property. He offered that the CUP would be consistent with the General Plan. The Benson Building was located in the Prospector Park neighborhood, and one of the stated goals of the General Plan was to over time convert that neighborhood to mixed-use. Planner Ehlers reported that no public input was received. Staff recommended the Commission review the CUP, hold a public hearing, and consider approving the CUP as outlined in the Draft Final Action Letter.

The applicant, Ricci indicated that he and his wife, Hong Hui Ahn had been Park City residents for over 30 years. When they purchased the Benson Building, they intended to use it as a base for Applicant Ahn's medical practice so she could continue to provide medical care to the residents of Park City. He stated that when they purchased the building in 2019, they understood that it was split into four condominiums that they could alter to fit the individual needs of the tenants. They began construction almost immediately and experienced significant delays due to many factors, including COVID-19, materials shortages, and permitting delays.

Applicant Ricci indicated that when they originally had the property assessed, there were no known restrictions that limited the building to commercial use. As such, they identified one of the lower condominiums as a possible low-income living space, which they understood would be a permissible use.

He stated that at this point, it would be unduly burdensome to impose further delays on their construction. They chose to not charge the long-term tenants rent during the construction, which is ongoing, and felt it would be unfair to start charging them now. Therefore, any further delay would result in a continued inability to charge rent and cause a significant loss of profit.

Applicant Ricci added that labor had been difficult since the pandemic. He asked the Commission to waive the plat, which would be expensive and, more importantly, would take approximately six months. If the Commission could not waive the plat, Applicant Ricci requested the Commission allow them to do the Plat Amendment after they complete the ongoing construction, including the apartment. Additionally, he stated that they were not looking to create any kind of change to the building that would have any negative impact on the soul and nature of Park City. As long-time residents, they have a deep interest in keeping Park City the same small and loving community where they chose to raise their family.

Commissioner Shand noted the reference of 1,120 square feet in the Staff Report and Draft Final Action Letter but noted another reference stating it was 1,102 square feet. Applicant Ricci felt it was 1,120 square feet. Planner Ehlers deferred to the Applicant. Commissioner Shand observed that the Plat stated 1,102 square feet. Planner Ehlers indicated the number in the Draft Final Action Letter was a typo that would be corrected.

Commissioner Shand asked what parameters the applicant would use to offer the housing as affordable housing. Applicant Ricci stated he has two children who are professionals and cannot

buy a house in Park City. He stated he has a piece of cheap dirt and would like to help his child, and at some point, this could go into the rental pool and remain affordable.

Applicant Ricci confirmed that this was the first time this was before the Planning Commission. He reiterated that due to COVID-19, they were hammered and they have not collected any rent. Recently, they asked their tenants for a Common Area Maintenance ("CAM") fee, but they have six tenants. The building was painted and was looking good, and they just needed to install the bathrooms. He added that none of the walls in the apartment were being changed. He stated that earlier they wanted to install an elevator for ADA purposes, but the City wanted them to do a plat, which would be another six months. They, therefore, put that project aside and focused on the construction when COVID-19 hit.

Commissioner Frontero reported that the Applicant purchased the building in 2019 and immediately looked to remodel it. Applicant Ricci confirmed. In response to Commissioner Frontero's question regarding the occupancy of the four condominiums, Applicant Ricci indicated that all units had tenants except Unit 1 which would turn into an apartment.

Applicant Ricci explained that the tenants were split into different configurations within the other three units. According to the CC&Rs, they could remodel the interior as long as they leave them platted as is.

Commissioner Frontero asked the Applicant why they were not collecting rent. Applicant Ricci indicated that the current tenants had nowhere to go to the bathroom. Some of the current tenants were already in the building when they purchased it, but some tenants had left over time.

Commissioner Johnson understood the issue of the common bathrooms was the impetus for the Applicant not charging rent. Applicant Ricci commented that the condominium was part of that plumbing, but the common bathroom was not part of the proposed condominium. Applicant Ahn stated that the building was 40 years old when they purchased it, and what started as a facelift turned into a more extensive project where they had to gut the entire building, including the old plumbing and the roof.

Commissioner Johnson understood that Applicant had an existing Building Permit placed at the property and asked what was included within that Building Permit. Applicant Ahn stated that the current Building Permit was for the renovation of every unit, including Unit 1; she acknowledged that only the proposed use of Unit 1 had changed. If the Commission allows the use, Commissioner Johnson asked the Applicant if they would agree to a Condition of Approval requiring a deed restriction for that unit for affordable housing. Applicant Ricci responded that he would not want to agree to that. Applicant Ricci stated he would be open to a deed restriction to not allow Nightly Rentals.

Commissioner Sigg noted that the Building Permit for the unit was for office use. He asked if they had plans for the apartment. Planner Ehlers indicated that the plans were part of the exhibits, and confirmed that they had not yet been approved by the Building Department. He added that plans were not approved until land use had been settled. Commissioner Sigg asked about fire egress, and specifically mentioned egress from the bedroom on the west side. Applicant Ricci stated that the bedroom would be on the opposite side where the window was located. Commissioner Sigg inquired about venting and stacking, and the mechanicals. Applicant Ricci stated they had some things in place, but believed they could either be vented separately or through common area chases.

Mike Buchholz, AIA identified himself as the Project Architect. He explained that the unit in question was remodeled for office use, and there was plumbing in that remodeled space. There were existing chases on the perimeter that reached the roof. He noted that a lot of the plumbing had been redone, so there were no issues getting stacks or any waste removed from the unit. He added that they were adding additional plumbing for the bathroom in that space, so the load on the public bathrooms would not be affected.

In response to a further question from Commissioner Sigg, Architect Buchholz indicated that the building was fully sprinkled. He added that there was a planned egress out the back of the bedroom and another egress into the common area from the other side of the unit. He noted there would only be one means of egress required; however, they wanted egress out of the bedroom so they added a new door to the north façade.

Commissioner Frontero asked if this building was technically four separate condominiums that were all owned by the Applicant. Planner Ehlers confirmed. Commissioner Frontero asked if the owners could sell off each condominium, and understood that if this CUP were approved, the Applicant could finish the condominium and sell it without restriction. He noted that the original Plat was approved with the understanding that it would be a commercial building, and he referenced Section 8.1 of the CC&Rs that "no unit shall be used as a personal residence." He also referenced Section 8.2.1 which stated, "a unit owner shall not use, permit or allow this unit to be occupied or used other than for commercial sales, services or office space." Commissioner Frontero expressed concern over the fact that each of the units could be sold off individually, which could have a potential impact going forward.

Commissioner Suesser asked if all of the parking is surface parking generally reserved for general retail business use. Craig Dennis, Executive Director of Prospector Square Property Owners' Association indicated that all the parking was shared for a mix of residential and commercial. He pointed out that there were timeshare units on the other side of the parking lot. He confirmed that they required a permit for anyone parking overnight. Mr. Dennis also confirmed there is no reserved parking.

Vice-Chair Van Dine opened the public hearing.

Katie Wilking reported that she helped the Applicant purchase the building, and she did not see anything in the Plat that prohibited residential uses or stated it could only be used for commercial. Speaker Wilking acknowledged the language in the CC&Rs but noted the CC&Rs could be amended since the Applicant owned the entire building. She questioned whether a Plat Amendment would be required. She clarified that rather than being used as a multi-unit dwelling as referenced by Planner Ehlers, the intention was that this would be a single unit. Speaker Wilking stressed that the Applicant would not change any of the condominium walls and would use it for affordable housing, although it would not be deed restricted. Speaker Wilking also noted this unit would not affect the common areas of the building.

Craig Dennis explained that the Prospector Square Property Owners' Association has 64 properties encompassing approximately 1,100 parking stalls throughout the area. He explained that this building was in Lot I, and he viewed the proposal as having a good impact on parking because with office space they see more pressure during the day. He explained that the Association managed all of the common areas outside of this building, and they supported this proposal. Speaker Dennis stated the Applicant was in good standing and the Association wished them the best in seeing this project through.

There was no further public comment. Vice-Chair Van Dine closed the public hearing.

Vice-Chair Van Dine asked if there was an agreement to include No Nightly Rentals as a Condition of Approval.

Commissioner Johnson wanted to push back on the affordable housing and stated that while they might not need to deed restrict it, he wondered if they could get creative to fill the City's needs. As he looked at the General Plan, this property was in Bonanza Park. As part of the work being done on the Small Area Plan, they want affordable housing and mixed-use in this area. Market rate units were not needed in this neighborhood, and while they want multi-use they need to stick to their guns on affordable housing.

Affordable Housing Manager, Jason Glidden, indicated that one option would be to look at the Lite Deed Restriction Program and place a Lite Deed on the unit. He explained that a Lite Deed would restrict the property as being either owner-occupied, or rented long-term. It would not prescribe the rental rate for the property or what the unit would sell for. Manager Glidden stated this was an option, and he would be happy to discuss it further with the Applicant.

Commissioner Johnson asked Manager Glidden if he would recommend the Lite Deed Restriction in this instance. Based on the Commission's discussions and the Applicant's willingness to agree to No Nightly Rental, that would fit into the Lite Deed Restrictions.

Commissioner Suesser liked Manager Glidden's suggestion. She also liked the idea of creating a mixed-use building in this area. She considered the possibility of a 10-year affordable housing requirement, after which it would sunset. It would still be restricted to No Nightly Rentals. She felt the Lite Deed Restriction might be a more proven path and would support that as a Condition of Approval.

Commissioner Suesser asked about the Applicant's request to waive the Plat Amendment. Assistant Director Ward stated there might be some flexibility without necessarily waiving the requirement for a Plat Amendment. She stated that one option would be to amend the Condition of Approval requiring the Plat Amendment before the Building Permit issuance and require the Plat Amendment prior to issuance of the Certificate of Occupancy.

Assistant Director Ward explained that if the Commission approved the use, that would allow the Building Permit to move forward, and then the Plat would need to be updated to reflect the new mixed-use prior to issuance of the Certificate of Occupancy.

Commissioner Suesser understood and observed that would allow the Applicants to move forward and not have a six-month waiting period. With that, she expressed her support for this application.

Commissioner Shand agreed with Commissioner Suesser and liked the Lite Deed Restriction. He was not in favor of encumbering this property for ten years. He noted it was just one unit, not a block of thirty residences. He felt the Lite Deed made sense for this application. He noted that the Applicant should probably change the CC&Rs in the event the building is sold and since nothing was indicated on the Plat. Commissioner Suesser noted it was included in the Conditions of Approval.

Commissioner Suesser hypothesized a situation where the owner would want to convert all of the units and asked if the Commission was comfortable with this becoming a residential building in this retail area with surface parking. She questioned whether they wanted to condition this approval on not allowing more than two units to be converted to residential.

Vice-Chair Van Dine would be comfortable with all four units being converted to residential and observed that it would be a less intensive use of the area and would fit the area perfectly. She agreed with a Lite Deed Restriction, and amending the Conditions of Approval to require the Plat Amendment prior to occupancy. She was in favor of this application with those Conditions.

Commissioner Johnson would not want all four units to be converted to residential and would be agreeable to two units at most. He felt the mixed-use was the purpose and he would like to see local businesses on the second floor or half of the building. He mentioned the community supported that type of use as well.

Commissioner Shand asked Commissioner Johnson would be comfortable with a provision that if the Applicant or future applicant wanted to convert it to residential, then the Planning Commission would assess it at that time with no deference given to the fact that one unit was approved. Commissioner Johnson felt that made sense, especially with the unknowns of what would be done across the street. It was noted that if the Applicant returned for approval of another unit, it would still be a request for a CUP and they would all have to be replatted.

Commissioner Suesser noted the Commission would set the precedent in approving this application. Applicant Ricci noted that the Plat Amendments were not free and take a long time.

Commissioner Sigg asked if it mattered what floor future units might be on if they partially approved this application. He also expressed support for the Lite Deed Restriction. With regard to parking, he noted that the requirement for all commercial would be more than the parking required for residential so he was okay with the parking aspect.

Speaker Wilking asked why this would need a Plat Amendment when the current Plat did not prohibit residential. Commissioner Suesser was not sure how the Plat Note would read but stated that the Plat does state in three or four places that this was a retail building, which defined it as a commercial space and not residential.

Senior City Attorney, Mark Harrington commented that the indication for the Plat Amendment was made in conjunction with the Staff Team Review with input from Summit County personnel. They could review it to understand their logic to make sure they agree with the County. He also stated that the additional language suggested by Assistant Director Ward would give additional time to work through this issue.

With regard to the discussion on the number of units, City Attorney Harrington cautioned the Commission that they were getting into the weeds on issues that were not part of this application. The Commission's job was to respond to the application for a CUP for one unit, and neither the Staff, the Applicant nor the Association had briefed the potential impacts of a full conversion or partial conversion. He stressed that was not before the Commission and suggested not even engaging on that issue because it was a different analysis altogether. He noted the Commission could state for the record that this would not create a precedent, but the Commission should not anticipate future applications without any analysis.

With regard to Commissioner Frontero's comments regarding unit sales, City Attorney Harrington stated there would be no change, and these units could be sold individually today. This application would not change how the units could be individually sold.

City Attorney Harrington commented that the Deed Restriction Program was voluntary, and while he felt the Commission could encourage the Applicant to apply for the program, he did not see a basis in the Code to make it mandatory in exchange for approval. He stressed that the program was available and the Commission could encourage the Applicant to avail themselves of it. He indicated that the Commission was to evaluate the residential use impacts, and the Commission could delineate a nexus to why it should be further restricted beyond that contemplated by the CUP process, but the program was voluntary.

Commissioner Suesser responded that this application was presented to the Commission as a conversion for an affordable housing unit, which explained why they were having these discussions. City Attorney Harrington understood, but reiterated that the program did not have an affordability requirement; rather, it was just a restriction on who could rent, not how much rent could be charged. He further explained that the program was an employee-resident program, not an affordable housing program.

Commissioner Suesser asked about the comment that the "City buys it down." City Attorney Harrington explained that the City pays for a restriction that would limit future rentals or a restriction that the unit would be owner-occupied. The program has a different goal, and indirectly it helps affordability because by limiting who could purchase and occupy it, there is an effect on its' value for which the City compensates the owner. He stated the City generally paid roughly 10-20% of the appraised value.

Vice-Chair Van Dine understood that the Commission could not condition the approval by requiring the Applicant to submit to the Lite Deed Restriction Program. City Attorney Harrington confirmed that the way the program was currently drafted the Commission could not include this as a Condition of Approval. He added that the program was also not integrated with any inclusionary zoning component, and they had difficulty finding a nexus for inclusionary zoning of an affordable unit when only trading one unit. He understood the Applicant was representing they would make this an affordable unit, but what was typically meant was that by its nature and location, the unit would be affordable and be less expensive than what was currently on the market.

Commissioner Sigg asked the Applicant to address the common area, the CAM charges, and how this unit would tie into those common areas and responsibilities. Speaker Wilking indicated that the occupant would still pay their portion of the CAM units on a price per square foot basis and still contribute to the common area maintenance. She added that technically because the unit would have its own restroom, they would pay for cleaning a restroom they do not use. However, she added because the occupants could walk through the front door and the common area which counts for approximately 26% of the building, they would be responsible for CAM charges based on square footage. She also confirmed that CAM included property taxes and insurance on the building. Commissioner Sigg understood that essentially the rent would be adjusted to include a portion of those fees. Speaker Wilking confirmed that was the plan, and added that initially, it was providing a place for people who cannot afford to move back home. She felt that ultimately it would be negotiated with the tenant.

Chair Hall indicated that she had been online listening to the discussion. She confirmed that Vice-Chair Van Dine would continue to chair the remainder of this agenda item for consistency. Chair Hall felt there was consensus to add a Condition of Approval 6 to prohibit Nightly Rentals and modify Condition of Approval 5 to reflect the suggestion of Assistant Director Ward regarding the timing.

Commissioner Suesser noted that the timing suggested by Assistant Director Ward related to the Plat Amendment, if necessary, would be done prior to issuance of the Certificate of Occupancy. Vice-Chair Van Dine agreed with Chair Hall's summation regarding the Conditions of Approval. Chair Hall was agreeable to adding those Conditions and expressed that the application appeared to comply with the Land Management Code ("LMC"). Commissioner Frontero agreed with rewording Condition of Approval 5 and adding Condition of Approval 6.

Planner Ehlers reported that he amended the Findings of Fact to reflect the square footage of 1,102 square feet. He also showed the Commission the proposed changes to Condition of Approval 5. Assistant Director Ward noted that the Prospector Retail Building Condominium Plat must be amended if required, and the Declaration must be amended. Commissioner Suesser requested stronger language for Condition of Approval 6 and suggested including a long-term rental requirement. She noted they were required to come before the Commission for approval of this conversion, and there was a great need in this community for long-term rentals and employee housing. She added that the Applicant agreed to No Nightly Rentals, but the property could easily turn into a week-to-week situation. Commissioner Sigg noted that long-term rentals were defined in the Code as 30 days, so theoretically, a landlord could have 12 different tenants over one year. He concurred with Commissioner Suesser that the leases should be for a longer term than specified by the Code.

Commissioner Suesser liked the idea of requiring at least a six-month rental. Vice-Chair Van Dine asked the Applicant if they would agree to a 6-month rental requirement. Applicant Ricci stated that they would agree to abide by the Code in terms of long-term rentals. There was discussion about whether they needed to include the language requested by Commissioner Suesser. She suggested the following language be added: "The unit must be leased for no less than a long-term period." It was noted that typically "Nightly Rentals are prohibited" was sufficient, and took anything less than 30 days off the table. Commissioner Frontero was comfortable with No Nightly Rentals.

Commissioner Suesser stated she still preferred it to be clearer. Commissioner Sigg stated it would be easy for someone to sign a 31-day lease and only stay one or two weeks. Vice-Chair Van Dine stated they could not get that far into the weeds. Commissioner Sigg felt that the intent was to provide housing, and he felt the provisions in the Code could make it somewhat transient. Commissioner Suesser noted Vice-Chair Van Dine's suggestion of minimum 6-month leases.

Applicant Ricci asked if the Commission was creating law. He stated he was agreeable to No Nightly Rentals, and he would agree with 6 months if requested by the Commission. It was noted that by agreeing to six months, the Applicant would take away seasonal rentals. Applicant Ricci noted that his daughter would be living in the unit for the next 10 years. After that, he asked whether they could discuss this at that time. He questioned why they had to create law.

Applicant Ahn suggested staying with No Nightly Rentals, as that was the most clear-cut language that was consistent with the law. Vice-Chair Van Dine noted the Applicant did not want to agree

to six months, and asked the Commission if they were agreeable with going forward with this application with a No Nightly Rental Condition of Approval. Commissioner Shand and Commissioner Frontero agreed.

MOTION: Commissioner Johnson moved to APPROVE 1662 Bonanza Drive – Conditional Use Permit subject to the following:

Findings of Fact

1. 1662 Bonanza Drive is located in the General Commercial District and Transfer of Development Rights Overlay Zone.
2. On April 1, 1982, the City Council approved the Prospector Retail Building Condominium Plat, located at 1662 Bonanza Drive.
3. On April 5, 1982, the Prospector Retail Building Condominium Plat was recorded with the Summit County Recorder.
4. Unit 1 is located on the Main Floor of 1662 Bonanza Drive.
5. Unit 1 has been used for Commercial uses, specifically a Yoga Studio.
6. Unit 1 is 1,102 Square Feet.
7. The parking lot in the Prospector Square Subdivision is managed by the Prospector Square Property Owners Association, hereby referred to as the Owners Association.
8. Multi-Unit Dwellings are a Conditional use in the General Commercial District under LMC § 15-2.18-2(B)(4).
9. Both the Prospector Retail Building Condominium Plat and the Declaration of Condominium must be amended to allow for Residential Use, as required by Condition of Approval 5.
10. **Size and Location of Site** – No change is proposed.
11. **Traffic Considerations including Capacity of the Existing Streets in the Area** – No unmitigated impacts as the Multi-Unit Dwelling will be a less intensive use than the existing Commercial Use. There are also bus stops in the immediate vicinity.
12. **Utility Capacity, including storm water runoff** – Utilities are available onsite.
13. **Emergency Vehicle Access** – No Change to Emergency Access is proposed.
14. **Location and Amount of Off-Street Parking** -- Unit 1 is 1,120 square feet. As a Commercial Use, under LMC § 15-3-6(B), the parking requirement is 3 spaces. The requirement as a Multi-Unit Dwelling would be for 1.5 spaces as indicated by

LMC § 15-3-6(A). LMC § 15-3-6(C) states that when a fractional number results, the number is rounded up, so the parking requirement for this CUP is 2 spaces. This is an overall reduction of a parking space from the current commercial status of Unit 1. Parking for the Prospector Square Subdivision is managed by the Prospector Square Property Owners Association, hereby referred to as the Owners Association. The Owners Association manages parking based on a shared parking concept, in which all the lots can be improved without providing on-site parking. Parking is provided through the Owners Association on those common areas that have been designated as parking lots. Each owner may utilize parking in any or all the Parking Lots, in common with all the other Owners. The Prospector Square Owners Association does require a specific overnight parking permit for any parking in that lot for overnight parking. Proposed COA 3 would require the Applicant to get an overnight parking permit Planning Department from the Owners Association. With this Condition, the CUP would comply with the Parking Requirement between the overnight parking permit and the overall reduction from the existing condition of the Unit.

15. **Internal Vehicular and Pedestrian Circulation System** – No changes to the Internal Vehicular and Pedestrian Circulation System are proposed.
16. **Fencing, Screening, and Landscaping** – No changes to the Fencing, Screening, or Landscaping are proposed.
17. **Building Mass, Bulk, and Orientation** – No changes to Building Mass, Bulk, and Orientation are proposed.
18. **Usable Open Space** – No changes to Usable Open Space are proposed.
19. **Signs and Lighting** – Condition of Approval 4 requires that any signage must be compliant with the Municipal Code of Park City (MCPC) Title 12 and the Master Sign Plan for 1662 Bonanza Drive. No changes to lighting are proposed.
20. **Physical Design and Compatibility with Surrounding Structures** – No changes to the Physical Design and Compatibility with Surrounding Structures are proposed.
21. **Noise, Vibration, Odors, Stream, or Other Mechanical Factors** – No changes are proposed.
22. **Control of Delivery and Service Vehicles, Loading and Unloading Zones, and Screening of Trash and Recycling Pickup Areas** – No changes are proposed.
23. **Expected Ownership and Management** – The Applicant owns all four units within the Benson Building. Staff does not anticipate ownership of Unit 1 to change if the CUP is approved.
24. **Within and Adjoining the Site, Environmentally Sensitive Lands, Physical Mine Hazards, Historic Mine Waste, and Park City Soils Ordinance, Steep Slopes, and Appropriateness of the Proposed Structure to the Existing**

Topography of the Site – The Site is not located within any of these areas, nor are there any changes to the topography of the Site proposed.

25. **Reviewed for Consistency with the Goals and Objectives of the Park City General Plan** – 1662 Bonanza Drive is located within the Bonanza Park Neighborhood as outlined within the General Plan. Goal 3.1 states, “(t)he overriding goal for this neighborhood is to create new housing opportunities while maintaining the existing affordable housing units” (Park City General Plan, Volume 2, p. 168). It also says, “(a)s outdated buildings are replaced and existing buildings expand, the neighborhood will evolve into a local, mixed-use district” (Park City General Plan, Volume 2, p. 168). The creation of a new housing unit in this location would help achieve the goal of creating a mixed-use district.
26. The Development Review Committee discussed the Application on July 4, 2023.
27. Staff published notice on the City’s website and the Utah Public Notice website, and posted notice to the property on July 26, 2023. Staff mailed a courtesy notice to property owners within 300 feet on July 26, 2023. The Park Record published notice on July 26, 2023.

Conclusions of Law

1. The proposed application as conditioned complies with the requirements of the Land Management Code.
2. The proposed application as conditioned complies with the Prospector Retail Building Condominium Plat.
3. The proposed Multi-Unit Dwelling Use is compatible with surrounding structures in use, scale, mass, and circulation.
4. The proposed Multi-Unit Dwelling Use is compatible with the Park City General Plan.
5. The effects of the difference in use or scale of the proposed Multi-Unit Dwelling Use have been mitigated through careful planning and Conditions of Approval.

Conditions of Approval

1. No Limited Common Areas or Common Areas of the Prospector Retail Building Condominium Plat shall be disturbed by this change of use.
2. No Development Rights shall be transferred as part of this Conditional Use Permit.
3. The Applicant is required to obtain an overnight parking permit from the Owners Association.

4. Any signage must be compliant with the Municipal Code of Park City (MCPC) Title 12 and the Master Sign Plan for 1662 Bonanza Drive, which shall be reviewed through a Sign Permit.
5. Before this CUP can take effect and a certificate of occupancy can be issued for Unit 1 to convert it to a Residential Use, the Prospector Retail Building Condominium Plat must be amended, if required, as well as Chapter 8 of the Declaration of Condominium, and both amending documents recorded with the Summit County Recorder.
6. Nightly Rentals are prohibited within Unit 1.

Commissioner Shand seconded the motion.

VOTE: Commissioner Suesser – Aye; Commissioner Frontero – Aye; Commissioner Van Dine – Aye; Commissioner Sigg – Aye; Commissioner Johnson – Aye; Commissioner Shand – Aye. The motion passed 5-to-1.

Vice-Chair Van Dine turned the meeting back over to Chair Hall.

- C. 3981 Kearns Boulevard (SR-248) – Plat Amendment – Request To Subdivide Lot 1B of the Park City Film Studio First Amended Subdivision, Into Two (2) Lots, To Accommodate the Phased Development and Financing of the Property, Consistent With the Studio Crossing MPD, A Mixed-Use Development With 60,000 Square Feet of Commercial Uses, Up To 100 Market-Rate For-Sale Units, And At Least 185 Affordable For-Rent Units, In the Community Transition District With Regional Commercial, Sensitive Land, and Entry Corridor Protection Overlays. PL-23-05656.**

Senior City Planner, Alexandra Ananth reported that the proposed Plat Amendment will subdivide Lot 1B of the Park City Film Studios existing Plat to accommodate the phased development of the property consistent with the Studio Crossings MPD. She noted the MPD was approved last year through Ordinance No. 2022-47. Planner Ananth presented an image of the existing Plat with the Film Studio on Lot 1A, and Studio Crossings slated for Lot 1B. The Applicant proposed to break Lot 1B up into two Lots. Lot 1 will contain the condominium units, and noted that the Applicant would need to come in with a Condominium Plat to sell those units. She indicated that Lot 2 will be reserved for the commercial development and all of the affordable units.

Planner Ananth reported that both Lots meet the Minimum Lot Size, and there were no proposed substantive changes to the phasing plan. The Plat Amendment also complied with all of the zoning requirements and all of the various overlays. It also complies with the Housing Mitigation Plan and the MPD. Staff found good cause for this Plat Amendment, as it would facilitate the development and financing of the project consistent with the MPD. Staff recommended the Commission review the Plat Amendment, hold a public hearing, and consider forwarding a positive recommendation for the City Council's consideration on September 14, 2023.

The Applicant had nothing to add other than this Plat Amendment was necessary to facilitate financing.

Chair Hall opened the public hearing. There was no public comment. Chair Hall closed the public hearing.

Commissioner Frontero asked the Applicant to provide a summary of the financing requirement to break the Lot into two Lots. The Applicant explained that the finance world was in flux right now, and lending requirements had become stricter. One of the ways they found to make it easier to facilitate financing was based on the type of use. For example, some lenders finance affordable housing specifically, versus commercial or market rate. He mentioned that they had the lending pretty much lined up for Phase 1, Lot 2, which is the affordable housing. The lenders need to lend against that parcel and not the commercial parcel.

MOTION: Commissioner Van Dine moved to forward a POSITIVE recommendation for the City Council's consideration on 3981 Kearns Boulevard (SR-248) – Plat Amendment subject to the following:

Findings of Fact

1. The property is located at 3981 Kearns Boulevard.
2. The property's annexation into Park City was the result of extensive litigation between the original owners and Summit County for the development of the parcel that resulted in a settlement, which provided Park City with an option to consider the annexation prior to development in the County.
3. As a result, Park City approved its own Settlement Agreement and Development Agreement for the Quinn's Junction Partnership Annexation Master Planned Development (MPD) for the purpose of constructing 374,000 square feet of "a motion picture studio and media campus," as stated in the Settlement Agreement.
4. The site is in the Community Transition (CT) zone, with a Regional Commercial Overlay (RCO) and Entry Corridor Protection Overlay, and an MPD for a Film Studio and Media Campus.
5. The Film Studio MPD is limited to a movie studio and media campus, as outlined in Exhibit C of the Annexation Agreement, and applies to Lot 1A only.
6. To date, only Phase 1 of the Film Campus has been constructed, which includes the sound stages, workshop, and production support/offices (Buildings 7, 7A, and 7B), associated parking, the main entrance, landscaping, and berming. This totals 91,425 square feet of development, all of which is located on Lot 1A.
7. There are 282,575 square feet of remaining Commercial Density to be built at the Property, for uses and buildings consistent with the Annexation Agreement and Film Studio MPD.
8. On December 15, 2022, the City Council approved Ordinance 2022-47, which amended the Film Studio Annexation and Zoning Ordinance for the remainder of the property and allows for the development of the remaining Density as Studio

Crossing, a mixed-use development with 60,000 square feet of commercial uses, up to 100 market-rate condominiums, and at least 185 affordable for-rent units.

9. The applicant is proposing to subdivide the existing ~20-acre Lot 1B into two (2) Lots. Lot 1 would consist of 11.87 acres and contain the condominium and townhome buildings. Lot 2 would consist of 6.47 acres and would contain the remainder of the site, including the commercial buildings and affordable housing units.
10. The proposed Plat Amendment is consistent with the Community Transition with Regional Commercial Overlay Zoning requirements, as well as the Entry Corridor Protection Overlay, and Studio Crossing MPD.
11. The proposed Plat Amendment allows for future development that complies with the Studio Crossing MPD as well as the Land Management Code.
12. Plat Amendments shall be reviewed according to Section 15-7.1-6 Final Subdivision Plat and approval shall require (a) a finding of Good Cause, and (b) a finding that no Public Street, Right-of-Way, or easement has been vacated or amended.

Conclusions of Law

1. There is Good Cause for this Plat Amendment as the amendment complies with the Community Transition with Regional Commercial Overlay Zoning requirements, as well as the Entry Corridor Protection Overlay, and Studio Crossing MPD. Existing plat notes will continue to apply; the Plat Amendment does not preclude development that is consistent with the annexation and Film Studio MPD.
2. Neither the public nor any person will be materially injured by the proposed Plat Amendment.
3. Approval of the Plat Amendment, subject to the conditions stated below, does not adversely affect the health, safety, and welfare of the citizens of Park City.
4. No Public Street, Right-of-Way, or easement has been vacated or amended.

Conditions of Approval

1. The City Planner, City Attorney, and City Engineer will review and approve the final form and content of the plat for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The Applicant shall record the plat at the County within one year from the date of City Council approval. If recordation has not occurred within one year, this approval will be void, unless the applicant submits a request for an extension in writing prior to the expiration date and an extension is granted by the City Council.

3. The plat shall note that the Entry Corridor Protection Overlay requirements shall apply to Lot 1B and be shown on the plat.
4. The plat shall note that a shared public access easement will be dedicated by the property owner to the City for possible future access to SR-248 at the southwest corner of the property, including possible re-dedication or transfer by the City to the state of Utah. The easement location shall be determined when the access is needed, shall be right in and right out only, and shall meet fire code access requirements of 20 feet in width of hard surface.
5. Future improvements shall be designed to meet all Engineering Department requirements.
6. The property is not within the Soils Ordinance. However, if the property owner encounters mine waste or mine waste-impacted soils, they must handle the material in accordance with State and Federal law.
7. The Annexation Agreement includes Architectural Design Guidelines. Lot 1A complies with these Guidelines. Future development must comply with or amend these Guidelines.
8. All future developments must meet the requirements of the Park City Fire District in accordance with standards applicable to the particular application and at the time of Building Permit review.
9. In accordance with the City Sign Code, Title 12, a Master Sign Plan shall be submitted prior to the issuance of permits for any signs.
10. The Applicant shall submit a Lighting Plan for the parking area in accordance with LMC Chapter 15-3.
11. All dumpsters shall be screened by fencing.
12. Any dead or diseased trees on the Film Studio Lot shall be removed prior to the issuance of building permits for Studio Crossing, and the Film Studio site shall be landscaped in accordance with the approved MPD plans prior to the issuance of certificates of occupancy for the Studio Crossing commercial buildings.
13. All Conditions of Approval of Ordinance 2022-47 shall continue to apply.

Commissioner Frontero seconded the motion.

VOTE: The motion passed with the unanimous consent of the Commission.

After a short recess, Chair Hall called the meeting back to order.

7. WORK SESSION

A. Work Session – Land Management Code Amendments – The Planning Commission Will Review Potential Amendments to Chapter 15-6.1 Affordable Master Planned Developments to Evaluate Parking Requirements, Mechanical Equipment and Building Height, Commercial Uses, and the Affordable Housing and Market Rate Units.

Assistant Director Ward introduced Eric Daenitz, Director of Economic Development and Data Analytics, and Manager Glidden. She explained that this Work Session would focus on incentivizing affordable units through Affordable Master Planned Developments (“AMPDs”). She added that Lisa Wise Consultants was conducting an analysis of the LMC to identify additional opportunities to incentivize affordable development through the missing middle, as well as connecting affordable housing density and transit. She indicated that the Commission would be updated as that work moved forward.

Assistant Director Ward stated that the discussion during this session would be limited to the AMPD Code. She reminded that this Code dates back to 2018 when the City Council directed Staff to look at barriers in the Code that prevented affordable housing development. Since 1984, the Code included a 20-unit bonus density; however, this was not enough to incentivize the development of affordable units. She indicated that the City hired Cascadia Partners to complete an Affordable Master Planned Development Code audit report to see what levers the City had to incentivize affordable housing.

Assistant Director Ward explained that the adopted Code allowed for increasing the Building Height to 45 feet with a 10-foot setback on the building façade perimeters. It also allowed for reduced Setbacks and reductions in open space. She noted that the recommendations included reductions in parking by right; whereas the adopted Code included the potential for reduced parking. Under the Code, she explained that when calculating parking, the Commission may reduce parking on sites one-acre or less by taking away 5,000 square feet for every 15,000 square feet of gross floor area.

Additional criteria include:

- Availability of on-street parking on the project perimeter,
- Off-site parking within 1,000 feet approved through an irrevocable agreement
- The project is within ¼ mile of a bus stop
- Available on-site parking for motorcycles and scooters, and
- Whether the bicycle parking exceeds the Code requirements.

Assistant Director Ward added that Lisa Wise Consulting was also helping to establish additional criteria for Transportation Demand Management that would further support an applicant’s request for a parking reduction. She stated that the Code established a maximum reduction that could be granted by the Commission. She noted that as the Commission was reviewing the Homestake AMPD and the HOPA AMPD, the Commission requested opportunities for further amendments. These include Building Height and mechanical equipment modifications, the potential for limited Nightly Rentals in market-rate units for deeper affordability, and increased allowable commercial square footage.

The Commission also requested further information on average occupancy rates and requested the Cascadia Partners audit report be updated to reflect current market conditions.

Assistant Director Ward stated that at the end of this Work Session, they would determine whether there was interest in re-evaluating the 10-foot top-story setback, establishing Setbacks for rooftop mechanical equipment, allowing for limited Nightly Rental units in exchange for deed-restricted units of 30-40% Adjusted Median Income ("AMI"), shifting some parking reductions from discretionary to established allowances, and the potential for re-evaluating the commercial space within an AMPD.

Assistant Director Ward indicated that they would provide the update on the average occupancy rate and Director Daenitz would walk through how the different levers would impact the financing of these developments given the current market conditions. She added that they would also cover the potential changes to Building Height and mechanical equipment.

Manager Glidden addressed occupancy rates and indicated that the Housing Team reached out to two of the largest property managers in the State that manage affordable housing. He stated Park City had used these firms for affordable housing, and noted it was a specialty due to the number of compliance issues based on deed restrictions for Low-Income Housing Tax Credit ("LIHTC") funding. He presented a table that showed average occupancy rates per unit for the State of Utah. He acknowledged that on this table they did not reference the average of all units, which they calculated as being .95 occupants per bedroom.

Manager Glidden noted some of the prior comments suggesting that Park City was different because it is a resort community. Therefore, they broke these numbers out and conducted some polling of the affordable housing rental units in the Park City area. Based on that, the overall average based on current occupancy was 1.03 occupants per bedroom.

In response to Commissioner Suesser's inquiry, Manager Glidden indicated that the affordable housing complexes they polled were Holiday Village, Parkside Apartments, Richer Place, and Washington Mill. He stated they would be happy to poll more complexes, but he was confident that based on this sample that they would see the same occupancy numbers. He stated the polling occurred approximately three months ago.

Commissioner Frontero noted the statement in the Staff Report that within Park City, the average occupancy for 278 affordable units was 2.3. He sought clarification on whether that was per unit or bedroom. Manager Glidden stated the chart provided for the Staff Report was statewide; whereas this number was based on the average of what they received from the above-listed properties. He reiterated that the Housing Team felt comfortable with the sample size, but expressed that they would be happy to conduct further polling.

Assistant Director Ward clarified that the information in the Staff Report was the average occupancy for the 278 affordable units; however, they do not yet have the breakdown based on unit size. They were continuing to gather this information. Manager Glidden confirmed that the average occupancy number was per unit, not per bedroom.

Commissioner Sigg remarked that the information was confusing because the chart referenced per-bedroom, and the overall average was per unit. Manager Glidden apologized for the confusion and noted that the chart required math to break down the numbers by unit type.

Commissioner Sigg understood that the chart reflected that a four-bedroom unit at 2.4 would have 9.6 occupants. Manager Glidden stated that was incorrect; rather, the chart reflected that the

average occupancy of 2.4 for the four-bedroom would mean that you would divide 2.4 by 4 to get the average occupancy per bedroom.

Commissioner Shand noted with interest that the chart reflected which unit types were most deficient. Manager Glidden agreed. It was noted by Commissioner Shand that if they were to look at the unit mix, four-bedroom apartments were not in as much demand because there were averaging only 2.4 people in a four-bedroom unit. Manager Glidden agreed and added that financially it was not worthwhile unless the market changed with regards to the household size of applicants. He added that generally speaking, they see households of 1 – 2 people on the current waitlist, with some households of 3 to 4 people.

Commissioner Shand observed that if the chart represented statewide data, they would need more clarification on Park City data because the occupancy might be completely different in Park City.

Manager Glidden explained that was why he provided the numbers he did with regard to the properties mentioned, all of which were within City limits with the exception of Richer Place Apartments. He noted that Parkside Apartments was the highest at 1.14 occupants per bedroom, but they were all around 1 occupant per bedroom. In response to an inquiry regarding whether these numbers were self-reported, Manager Glidden explained that when there are restrictions, especially with lower income tax credits, there are specific rules that must be followed in terms of occupancy. He could not say 100% that someone would occasionally sleep on a couch; however, he felt these numbers were pretty accurate since these were numbers required to be reported to the Federal government.

Commissioner Suesser asked if they came across overflowing numbers of people in units as reported in the newspaper. Manager Glidden responded they did not, and added that a benefit of affordable housing was that because the rent is so low, they do not need to bring in additional people. He stated that overcrowding was largely a product of the seasonal workforce being forced into expensive market-rate housing. The easiest way to defer that cost per person is to bring in more people to share in the cost.

On the other hand, with affordable housing, Manager Glidden stated that the rent was so low already that tenants were not forced to do that.

Commissioner Sigg asked if the data was broken down according to AMI. Manager Glidden could get more information on that but stated that as part of the analysis for the HOPA project, tenants were definitely discounted at 30% - 40% AMI. He believed that Richer Place was closer to 60%, but he did not have those specific numbers.

Commissioner Suesser asked if part of the polling included information on whether those occupancy rates were steady throughout the year. Manager Glidden did not have specific numbers but stated with confidence that every one of these properties had a waitlist of over 100 people if not more. There were no vacancies, and these units do not change over very often. He commented that the last turnover at Washington Mill Apartments occurred four years ago.

Commissioner Suesser stated her question was specific to occupancy rates per unit during the year and whether they fluctuate. Manager Glidden responded that they were not aware of any fluctuation, and noted that while it was not specifically asked, these tenants were signing year leases and therefore they would not see a change in household size.

Director Daenitz introduced himself and stated he would provide an updated model that was used as a guidepost in 2020. He cautioned that models were representations only and not the real world, so there were always approximations and assumptions that go into these models. Director Daenitz commented that he tried to make reasonable assumptions that were relatively approximate to current conditions, but they could go through every parameter and question whether it was realistic or not. He stressed that his ethic was to provide the best approximation of reality. He noted that every real estate deal has conditions associated with it, such as the amount of available land or unexpected costs.

The key element that changed since 2020 was that market conditions have continuously moved against the feasibility of these projects. The two drivers of that trend were building costs and financing costs. He noted the impact of inflation, which is represented in the cost per square foot. He also mentioned long-term lending rates.

Director Daenitz indicated that in the 2020 model, the City received bids for projects at \$520 per square foot. More recently, the City has received bids for affordable construction projects priced at \$600 per square foot. He expressed that the significant change from 2020 has been in long-term financing. Director Daenitz explained that current short-term construction loans were not materially different from the 2020 period, and were around 7 to 7.5% for two-year money. However, long-term lending has increased from a rate of 3.25% in 2020 to 6.95% currently. Director Daenitz stated this was the most material detractor from the feasibility of an affordable project.

With regard to the Code parameters analyzed in 2020, Director Daenitz stated that the logic around density bonus and parking reduction was unchanged in the model. They added parameters associated with Nightly Rentals and commercial units for the Commission to review. He referenced the assumptions set forth in the Staff Report of five units offered as Nightly Rentals. They can show the effect if the number of units is greater.

Director Daenitz clarified that they did not assume that the Nightly Rentals created an additional number of units. Therefore, if the Commission turned on Nightly Rentals, they would reduce units somewhere else in the project. For the purposes of the analysis, he took it away from 100% AMI units. He also indicated that in the 2020 model, they did not provide a direct analysis of the effect of commercial units and the associated parking requirements created by commercial units. They have added that analysis to the 2023 model.

Director Daenitz also provided data on the input assumptions that went into the Nightly Rental Revenue Analysis. For the five units offered, he pulled historical data associated with the daily occupancy rate and average daily rate ("ADR") for two-bedroom Nightly Rentals in 84060. He explained that this data was obtained from AIRDNA, a subscription data platform. This platform has significant web-scraping algorithms that come through Airbnb and VRBP, the two most popular online nightly rental platforms. They then use statistical models that run on top of that data to project the true value of the Nightly Rental stock in the community.

Director Daenitz explained that he specifically queried the two-bedrooms, because those were the types of units they assumed were taken away. He added that in the configuration of the model parameters, he had 100% AMI two-bedrooms, reduced that number by five, and shifted those five to two-bedroom Nightly Rentals. He further explained that understanding that the occupancy rate

was 46% and the average rent was \$428/night, they could infer the average expectation of annual revenue for those five units.

Director Daenitz commented that the yield was significantly more during the winter, but for the purposes of the analysis he focused on annual revenues, so he used an annual historic average. He stated that clearly, the revenues have trended up over time, but he used the entire historical data set for the average.

Director Daenitz next presented a spreadsheet that provided an overlay of all of the possible tools that could be turned on, and the variety of possible combinations. He stated there were 15 possible scenarios, but he chose to present the primary 12 scenarios of interest. He explained that the green cells on the spreadsheet reflect when the parameter is turned on, which has certain implications for required AMIs. For example, if they turn on a tax credit financing parameter, then the AMI could only go so high for the project. He added that in Scenario 1 he provided a pure market rate analysis of the rents that would need to be charged in order to make a project feasible. He stressed that Scenario 1 did not include any elements of the AMPD Code.

Director Daenitz indicated that his test for feasibility was based on the number of years to break even. In general, the assumption was that if it would take more than six years for a project to break even in terms of revenue versus expenses, it would not be an investible project and labeled "likely unfeasible." He stated they would be happy for people to challenge that assumption.

Commissioner Shand asked if the chart represented all the different scenarios. Director Daenitz explained there were six parameters and twelve scenarios. He added that they should have six-choose two, which would equal 15 scenarios, but he did not include the last three because they were duplicative.

Director Daenitz expressed that the spreadsheet would allow the Commissioners to include the last three if they wished. He stated that the key takeaway from this graphic was that when every parameter was turned on in the existing AMPD, it would have positive effects on the project in terms of feasibility. He explained that a density bonus was a positive, as was a parking reduction. He added that a Nightly Rental bonus also had a positive effect on feasibility.

Director Daenitz stated that directionally speaking, anything the Commission might turn on that was in and above a non-AMPD would benefit the likely feasibility of the project.

Commissioner Shand asked Director Daenitz to run through one scenario. Director Daenitz stated that going from left to right, as they add elements they could see how the net income of a project, or its return on equity, or cap rate would improve in year one. He stated that at the end of the day, based on current market conditions none of these projects would likely be a "go" without some City contribution. What this means is that the City must knock out the land costs of a project, or more, for it to be feasible. The alternative would be to charge more AMIs.

Manager Glidden commented that the 60% AMI level of rent would be required as part of LIHTC funding. He added that if the City wanted to target the workforce, which averaged just below the 60% AMI, it should be at that rate. If they were to raise the definition of affordable for Park City to 80% or below AMI, it would change the information on this chart.

Director Daenitz proceeded to demonstrate how the chart could be manipulated with different input values. To demonstrate the effect of long-term interest rates compared to where they were

in 2020, he assumed no benefits from an AMPD Code but tried to offer affordable rates. When he applied 3.25% long-term funding rates, it would cut the duration of the profitability window in half. In other words, the developer would achieve profitability twice as fast. He stressed that long-term interest rates were a random variable that no one could control; therefore, he would not suggest optimizing the Code to chase a target that moved every day. On the other hand, he felt it unlikely that they were headed back towards 3% in the near term. He demonstrated the impact of the addition of the density bonus and highlighted the chart with the green and red lines; he explained that where the two lines cross was what mattered in terms of feasibility.

In response to Commissioner Suesser's question, Director Daenitz stated that where expenses and revenue cross on the graph was the number of years at which a project would break. Commissioner Shand asked which of the parameters had the most effect on feasibility. Director Daenitz referenced the grid on the screen and indicated that of the parameters being entertained in this conversation, offering Nightly Rentals had the largest effect. The next largest benefit was the density bonus, followed by parking reductions and commercial units. He noted that an interesting point about commercial units was that because commercial units imposed significantly more parking requirements, it increased the cost basis and reduced the performance of the new revenue acquired from the commercial unit.

Manager Glidden added that the commercial units also pushed the project into a different Building Code type because of the mixed-use, which could also add additional construction costs.

Commissioner Sigg asked if mixed-use affected financing as well. Director Daenitz responded that a mixed-use would likely result in the need to subdivide the project. He noted there were a number of examples in Salt Lake City where the commercial unit was carved out of that portion of the project that had affordable components. He added that a tax credit funding deal would not include the commercial space. He continued to show the effects of the different parameters that could be turned on. Under current conditions, Director Daenitz stated that every tool would need to be turned on to make it possible for a developer to consider a project.

Director Daenitz demonstrated what would happen if they turned all of the two-bedroom 100% AMI units into Nightly Rentals. He mentioned that it would decrease the 100% AMI stock, but would create a significant boost in feasibility by reducing the break-even point by three years. He reiterated that Nightly Rentals alone had the largest potential effect size because of the significant premium that the Park City market commands relative to long-term leases.

Commissioner Frontero found that using the historical average of 46%, or 167 days, multiplied by \$428 would yield \$62,500 per year. He noted that this would calculate to around \$5,200 per month, which was far more than could be charged for rent. He understood that this explained why it would have the greatest effect on the model.

Director Daenitz calculated it at \$5,867 per month and observed that Commissioner Frontero's math was close. He added that the Nightly Rentals overwhelmed the revenue potential relative to the long-term lease. Commissioner Frontero stated that commercial projects often undergo refinancing when rates drop, which this model did not take into account. He felt that the model needed to reflect an option to adjust the rate down every five years, as that would change the dynamic of the break-even time.

Director Daenitz stated that Commissioner Frontero's point was fair, and explained that he assumed no predictive power over the rates market. He added that if a developer were funding

a project in the early 1970s, a 7% rate would look great compared to one encountered 10 years later. He agreed that a developer would refinance if they could get better terms, and felt that Commissioner Frontero's point was fair. He stated they could further explore that if requested.

Commissioner Sigg asked about the expense factor used in this model. Director Daenitz explained that they started with the gross rent, and then assumed an annual operations expense, and a reduction based on property taxes. The operations expense was modeled based on queries to management companies. He noted that maintenance and replacement costs were bundled into the figure, although it did not include assumed future capital expenditure.

Director Daenitz also noted they assumed no vacancy as well. He indicated that they used the current property tax rate.

Commissioner Johnson commented that Scenarios 7 and 8 were the only feasible options under today's conditions. Commissioner Johnson asked what would happen to Scenario 7 if they took out the density bonus. Director Daenitz stated that removing the density bonus would still make a project pencil. If they removed the parking reduction, the result would be that the cost would be pushed onto the City.

Commissioner Suesser noted the prior discussion regarding mixed-use and the statement that the commercial requirements pushed up the costs of building out the commercial space. Manager Glidden explained there were different building requirements in terms of things like firewall protection and parking requirements that drive up the construction costs. Commissioner Suesser asked if the same would hold true for market-rate housing because that would involve units with two-car garages instead of carports, or high-end appliances and finishes. Manager Glidden stated that it could, but they determined what the market would bear in terms of the rental cost.

Director Daenitz noted the question was about the spread between the costs of providing the additional parking versus what they could yield in additional rent. He stated that because the differential was larger it was more profitable. If market-rate housing yielded a less valuable rent, then it would not make sense to do it; however, because the 100% AMI in Park City was so high, it paid to elect that option.

Commissioner Sigg asked if parking had a direct correlation with the amount of density on the site because it drove structured parking versus surface parking.

Director Daenitz explained that for purposes of this analysis, they assumed structured parking would be required because the site size was not large enough to provide adequate surface parking. He added that if they could assume all surface parking for a site size that could accommodate that use, they would need fewer other parameters.

Commissioner Suesser mentioned Woodside Phase 1 located in Old Town that proposed all surface parking. She noted the land cost was high, and wondered how that project was able to pencil.

Director Daenitz did not suggest that surface parking was the performance-maximizing trait, but comparing the two involved a significantly different environment and cost profile. He could not speak to the parameters of that development at this time. Manager Glidden agreed and mentioned the location.

Commissioner Suesser explained that she was thinking of affordable housing projects in the community, to which Manager Glidden stated that the project was meant to be for a single-family and look like the neighborhood. He added that the project did not maximize density on the site. Commissioner Suesser wondered why they would assume structured parking when they recently built an affordable housing project that did not have structured parking.

Commissioner Shand liked the spreadsheet and stated that he had put together a similar spreadsheet to create “what if” scenarios on what to build and how big to build. He mentioned Bonanza Park and commercial units and wondered what the ideal scenario would be when they turn on commercial units and a land contribution. He wondered how feasibility would be impacted if they allowed the developer to keep the commercial components to try and recoup what they might be losing in AMI units.

Director Daenitz acknowledged that the limitation of this model in that they assumed a fixed 10,000 square feet. The early indications from this study were that 10,000 square feet was not the number for a project to be profitable; rather, the square footage needed to be more relative to the parking demand, and a potential mix of uses within the commercial units could create more variable revenue streams that would be better than he assumed in this document.

Commissioner Shand noted the value of the City contribution of just over \$9 million and asked if the majority of that was the land contribution. Director Daenitz explained that it included land contribution plus gap filling on the funding spread required to make it work. He removed land contribution from the model, which reflected an increase to 18 years. Director Daenitz noted he assumed a land cost based on a \$1.5 to \$2 million per acre acquisition cost; therefore, this model assumed a five-acre site with a land cost of \$1.5 million per acre. He explained that the land acquisition cost plus the additional gap filling required would be the assumed City contribution.

Commissioner Shand asked Director Daenitz if he looked at the workforce housing project at the base of the Canyons because he felt that involved a land contribution from the county in the form of a 99-year lease.

Manager Glidden noted that the 10,000 square foot assumption for commercial was used because that was what was allowed by Code. He stated that one of the issues they wanted to discuss was whether they wanted to adjust that limit. He mentioned that one idea was that if they did not want market-rate residential, the square footage could be shifted towards commercial, while at the same time making sure the affordable square footage would be equal to or more than the commercial square footage. They had not determined yet if that would pencil.

Director Daenitz stressed that he was not imparting any statement of value, but the reason they see the market providing nightly rentals is because that is what the market rewards. When looking at a real estate investment, five nightly rental units have a better delta than 10,000 square feet of commercial space. He expressed that this was illuminating and somewhat unexpected. Director Daenitz stated that upon reflection it made sense; however, it was interesting having the math demonstrate the same incentive structure.

Commissioner Sigg observed that the commercial also came with an obligation to provide employee-generated housing. Director Daenitz did not account for that in these numbers and explained that it assumed no additional obligation for that commercial square footage.

Commissioner Frontero felt this was an impressive spreadsheet and a high-quality tool for the City. He recognized that these were models and tools rather than definitive projections. Therefore, by definition these were inaccurate, but a very good tool.

Director Daenitz offered to sit down with anyone who wished to dive more deeply into this analysis.

Commissioner Suesser was curious about exploring reducing the market rate housing and replacing it with commercial to see if that would pencil. She felt that was exactly what the community was requesting. The community wants more local restaurants and bars, and affordable housing; they do not want more market-rate housing.

Manager Glidden reiterated Director Daenitz's point that the revenue generation on the Nightly Rentals was so high, that they might not gain that efficiency per square foot with commercial. He stated he would review it and report back to the Commission.

Commissioner Sigg mentioned that the parking requirement for commercial would be greater, and if they assumed structured parking, it would get expensive.

Chair Hall asked about adding affordable housing to existing commercial and commented that the City had a lot of one-story commercial in town that could be primed to add a second story of affordable housing. She wondered whether that could be incentivized through the AMPD and whether an existing structure would affect the analysis.

Manager Glidden expressed that the difficulty in that would be parking. A certain amount of parking would have been used to develop the commercial site, and as residential was added, there would be additional parking needs. He added that if there was a willingness to waive additional parking for the residential, then it might work; however, he felt the parking would get in the way of this type of project. He agreed there were a lot of great opportunities for additional units to be placed on current properties. Manager Glidden felt there were also opportunities in surface parking lots and he would love to see more incentives to work with those properties.

Aside from the parking issue, Commissioner Suesser asked if they could affordably build on top of an existing structure. Director Daenitz responded that there was a lot that would depend on contingencies with the existing structures and felt they could not respond with any general statement.

Manager Glidden expressed that the overall concept was great, but it would be hard at this time to answer questions about the feasibility of a given site.

Commissioner Suesser asked what type of return on investment ("ROI") was assumed when they talked about a feasible project. Director Daenitz indicated that those metrics were provided in the sheet, but commented that they were talking about what would be considered a "low-performance asset" in terms of profitability. He demonstrated on the spreadsheet how a developer's ROI would look and explained that after seven years, a developer would begin accruing positive net income. The terminal net income at 30 years was approximately \$2 million per year. Director Daenitz added that in terms of a cap rate, it was 1% on average, but he provided a projection of the full cap rate over the life of the deal in which a developer would end up with 1.5%.

Director Daenitz did not feel that any private developer would invest in a 1.5% cap rate deal when Federal funds yield 5%. He added that within a competitive environment, any discretionary

investor would look at an array of options, and even with a 1.5% cap rate, a developer would have to be motivated by something more than just profitability.

Chair Hall asked if Staff wanted the Commission to answer the questions posed in the Staff Report.

Assistant Director Ward indicated they had some additional slides that address Building Height and mechanical equipment modifications. She explained that when the AMPD Code was adopted there was an allowance of a 45-foot building height, but requiring a 10-foot setback on all building façade perimeters to reduce the impact on adjacent properties. She explained that a potential amendment could require that only the perimeter façades include the 10-foot setback, and any interior façades could go up to the 45-foot height, which would allow for additional units on the top floor. She presented an illustration from the HOPA AMPD Site Plan where everything highlighted in green would have a 10-foot setback.

Assistant Director Ward indicated that one of the case studies provided by Cascadia Partners was from Ketchum, Idaho which has a similar incentive for affordable housing. She noted that Ketchum originally required the 10-foot setback, but has since removed that requirement completely. She also indicated that there might be additional opportunities to mitigate the impacts from the 45-foot height by establishing a rooftop setback for mechanical equipment. They found when Ketchum, Idaho removed the setback requirement, they initiated a 10-foot setback for mechanical equipment.

Assistant Director Ward asked the Commission if there was interest in re-evaluating the 10-foot setback on all perimeters.

Commissioner Suesser asked what height was required before implementation of the setback requirement. Assistant Director Ward explained it would be required at the Building Height proscribed by that zone.

Commissioner Shand referenced the building in Ketchum, which appeared to be roughly 32 feet in height. Assistant Director Ward stated that for the final approved project, they could go up to 52 feet in Ketchum, Idaho. Commissioner Shand commented that on buildings higher than the one shown, the height could become more imposing, although he liked how the designer mixed up the façade.

Assistant Director Ward stated that the current Code required variation in those buildings that were 60 feet wide or 100 feet wide. There was discussion regarding mechanical screening. Assistant Director Ward explained that the screening for mechanical equipment was allowed to go up an additional five feet, and for elevators, it was allowed to go up an additional ten feet.

Commissioner Van Dine was more interested in looking at overall heights. They passed the 45-foot building height based on the suggestion of the consultant. However, now that they have seen projects come through, she felt the Building Height should be based on the underlying zone, and the site bonus could be a certain amount of feet over the zone height. She expressed concern that as they get more applications for these projects, they would start seeing really large buildings out of proportion with the zones where they are located. Allowing a 45-foot tall building in a zone where the Maximum Building Height is 28 feet would really stand out. She suggested re-evaluating Building Height relative to zone heights and favored eliminating the setback as long

as there would be façade variation. Commissioner Van Dine mentioned the HOPA project where the developer could not afford to increase the height.

Commissioner Johnson asked if Commissioner Van Dine was suggesting something like 10 feet over the existing zone height. Commissioner Van Dine did not have an answer but felt it was something to discuss so they would not allow overbearing buildings that would command the skyline. She referenced the Winter Park project included in the Staff Report and stated that they would not want that in Park City. She stressed that they wanted projects that fit in with the community and meet the overall look and scope, which HOPA did.

Commissioner Sigg commented that one of the unrecognized components was the open space requirement and what it takes away from the economics of a project. He referenced other projects that did not have a lot of open space, but which could be replaced on rooftop areas. He stated that 25% of overall land mass was a lot of land mass, and there could be some utility in that land. He understood that everyone liked the open space, but when they talk about the housing needs and utilization of land, they might consider addressing open space.

Manager Glidden reported that as part of the analysis with Cascadia Partners regarding open space, they found that the Setbacks on a project actually met the open space requirements. If the Commission was looking to reduce the open space requirements, they could reduce Setbacks as well.

Commissioner Sigg also referenced snow storage and detention and other things that could be included. Manager Glidden stated that snow storage could occur in the Setback.

Commissioner Johnson was open to re-evaluating the 10-foot Setbacks, but they would want to stay mindful of Frontage Protection Zones ("FPZ"), and he would like to see some variation as a Setback related to the Frontage Protection Zone. He commented that most of the land that would be fitting for these types of developments would be along the FPZ zones. With regard to rooftop mechanical, he previously suggested a 1:1 Setback for mechanical equipment, along with screening.

In response to Commissioner Suesser's inquiry about requirements for rooftop mechanical, Assistant Director Ward indicated there were requirements regarding height, but not setting them back from the façade.

Commissioner Shand felt that the 10-foot stepback was a function of the Building Height and the building's proximity to the Setback. If a building were located right on the street, and constructed at the Setback, he would like to see a step back for the upper level. He felt the Ketchum example was a good example of a three-level building with no stepback that was not very imposing. In terms of the rooftop mechanical, he agreed that it should be set back from the edge of the building with a 5-foot screen.

Commissioner Suesser mentioned that this issue arose in HOPA with regard to the elevator shaft. Assistant Director Ward referenced the Staff Report that one of the options would be to have a Setback for the mechanical equipment and encourage elevator locations to be interior to the development. There was discussion that requiring elevator shafts to be located on the interior of the project would provide relief to the façade.

Assistant Director Ward clarified Staff's question regarding setbacks related to the mechanical equipment. They encouraged elevators to be placed on the interior of the development, if possible. She acknowledged it would be a site-by-site determination.

Commissioner Suesser was in favor of requiring rooftop mechanical equipment setbacks beyond the 45-foot Building Height. Commissioner Frontero asked if she would be in favor of this requirement regardless of Building Height. Commissioner Suesser responded that she would not necessarily be agreeable.

Commissioner Frontero was under the impression that the footprint of the rooftop mechanical did not have to go all the way to the edge of the roof. He felt equipment could be stored in a much smaller footprint than the envelope of the building.

Commissioner Suesser reasoned that they were talking about an elevator shaft as they had in the HOPA project that was on the exterior wall along Monitor Drive. She did not have a problem with it as long as it was not beyond the height of the building. She noted there was an exception that allowed mechanical equipment to go higher than the Maximum Building Height. Commissioner Suesser was in favor of re-evaluating the 10-foot top-story setback but was hesitant because she was not sure she would be agreeable to a change in that regard. She felt the setback made the neighborhoods compatible.

Commissioner Frontero assumed that 45 feet equated to a four-story building. He noted that currently a 45-foot building height was allowed for an AMPD with a 10-foot setback. He understood that by removing the 10-foot step back, they could add more density. Manager Glidden agreed and added that removing the 10-foot setback would increase the footprint for the fourth floor.

Commissioner Sigg felt that it stood with the elevator issue because a lot of it might have to do with circulation. He noted that they put elevator chases on the outside because they could get more floor area. Commissioner Suesser was in favor of re-evaluating the 10-foot step back for a building's interior, not the exterior.

Chair Hall noted this was the first Work Session on these issues, and assumed there would be further discussions with further information. She felt that enough of the Commission was at least interested in evaluating all of these options. She stated that while she was not interested in exchanging Nightly Rentals for AMI, she was open to hearing more data on what that would mean.

Chair Hall looked for consensus on each of the points to frame future discussions and asked if there were issues that the Commission was not interested in further discussing.

Commissioner Frontero supported exploring each of the five proposed options. Commissioner Suesser did not favor exploring altering parking reductions from discretionary to established allowances and felt that parking reductions should be evaluated on a case-by-case basis. She would be willing to further explore the other listed options.

Commissioner Sigg stated that the inherent reason they were in this dilemma was the Nightly Rentals, and while his position was well established by virtue of his prior votes, he felt they were appropriate in certain areas. He commented that all of these issues were site-specific. Commissioner Suesser noted that the options presented would remove the Commission's discretion.

Commissioner Johnson was open to discussing all of the options. He expressed concern about parking reductions because he felt it was site-specific, and until they had more transportation solutions it would be difficult to take away the Planning Commission's discretion.

Commissioner Van Dine was also open to re-evaluating all of the options.

Manager Glidden asked the Commission if there was specific information they wanted on any of these items. Commissioner Johnson felt the modular concept presented by Lisa Wise Consultants on the Mammoth project was interesting. He understood that Mammoth had a 5 – 10 acre parcel in the city where they went high, but also added some community-focused uses. He mentioned that the modular units were done offsite and then brought onsite. He felt the cost was slightly more, but they were able to stack units in a three-month period, allowing them to address the needs faster.

Manager Glidden stated they had been watching that, and noted that he and Assistant Director Ward went to the factory to witness the production, which he described as amazing. The transportation costs and crane costs had not yet tipped it to be a more viable construction method, but he felt they should continue to evaluate it. He noted the timesaving was incredible.

Commissioner Suesser commented that in this community, finding the workers and getting the supplies here was particularly tricky. Manager Glidden also mentioned the impact of construction and mentioned that Homestake would likely take 18 months, and by using modular construction it would likely take less than six months.

Manager Glidden confirmed that he visited the Autovol facility in Boise, Idaho. Commissioner Shand noted there was a manufacturer in Springvale that made production homes in a warehouse, but their limitation was transportation over public roads.

Manager Glidden stated they used the pre-fabrication model with Woodside Park Phase 1 to reduce impacts, and it worked. The modular system involves everything and is like plug-and-play. They also have the ability to join multiple units together.

Commissioner Sigg asked if there was a Code provision that allowed for Development Agreements to include some of the issues they were discussing and that could memorialize a negotiated development. Assistant Director Ward stated with the MPD and AMPD, a Development Agreement was required to reflect the Final Action Letter in the Conditions of Approval. She stated that Cascadia's recommendation was to establish "by right," so that the discretionary elements would be worked out and set in Code with clear standards so that applicants could understand what they could request. When the AMPD Code was adopted, it included reduced Setbacks, reduced open space, and Building Heights. She stated that Cascadia's recommendation to reduce the parking was still discretionary. She stated that the Development Agreement reflected the final approval of the project.

Manager Glidden stated that the most common feedback he has received from developers was that they try to reduce risk when initiating a project, and uncertainties in the planning process through the Code increases the developers' risk. He stated the uncertainties in the Code would keep developers away, and if they were looking to incentivize they would want to reduce the developers' risk. He stated that the more they could provide certainty through the Code, the better. Cascadia recommended this initially, and Staff was here to see if the Planning

Commission wanted to reconsider these issues to take away the discretionary aspect and make it more attractive to developers.

Chair Hall expressed interest in seeing a sliding scale for the commercial in the pro forma. She reiterated her suggestion to explore incentivizing the addition of second stories to existing commercial buildings. She wondered why the Commission was not addressing the issue of open space. Chair Hall would like feedback from the prior two AMPD applicants on what they felt were the biggest hurdles.

Chair Hall asked where they would be relative to the City's 800-unit goal by 2026. Manager Glidden reported that 484 affordable units had been approved but not yet built. Adding that to the 150 completed units, resulted in a total of approximately 650 affordable units. Chair Hall expressed her appreciation for the work on affordable housing and stated that it showed the power of the Code because for 37 years they had no AMPDs. They received great advice from Staff and consultants, and now they have 416 units approved. She was excited to continue this dialogue.

Manager Glidden stated that the 800-unit goal was based on a needs assessment in 2016. They recently updated that, and the City needs a lot more units than 80 per year; he stated they now needed nearly 200 units per year. He thanked Chair Hall for her words of support.

Commissioner Suesser commented that the perception in the community was that the AMPD incentivized the developers, and there seemed to be more affordable housing projects coming before the Commission. The community perception was that the AMPD Code worked. Manager Glidden commented that it was not enough when compared with the needs assessment. He stated the need was continuing to grow and more needed to be done. He also stated they were happy, as this was what the City needed to happen. Commissioner Suesser was interested in understanding the economics of the projects such as HOPA and Homestake. She noted they had a model, but they were not modeling the projects that were about to be built.

Manager Glidden stated they could adjust the model to replicate these projects. Director Daenitz stressed that he did not know what could legally be disclosed, and felt that question would have to be answered by the City Attorney. He stated that the conditions that moved against pro forma also moved against real projects.

Commissioner Suesser stated that they had public/private partnerships in which they should be able to have some understanding of the economics of the project. Manager Glidden felt that Director Daenitz's model was a good representation of what these developers were facing.

Assistant Director Ward indicated that the next available Agenda for this item would be in October 2023.

Commissioner Frontero mentioned he attended a seminar last year where the builder of The Canyons gave a fascinating presentation. He asked if that developer would be willing to offer some advice or present to the Commission how a project pencils out.

Assistant Director Ward made a note of that request and added that Lisa Wise Consulting was currently evaluating the Code, and as part of that work was reaching out to local developers. The Canyons developer was one of those being interviewed regarding market conditions.

8. ADJOURN

MOTION: Commissioner Van Dine moved to adjourn.

The meeting adjourned at approximately 8:45 p.m.

Approved 09.13.2023