

PARK CITY MUNICIPAL CORPORATION
PLANNING COMMISSION MEETING MINUTES
SPECIAL WORK SESSION – GENERAL PLAN
COUNCIL CHAMBERS
MARSAC MUNICIPAL BUILDING
November 27, 2012

COMMISSIONERS IN ATTENDANCE:

Brooke Hontz, Stewart Gross, Mick Savage, Adam Strachan, Charlie Wintzer

EX OFFICIO:

Planning Director, Thomas Eddington; Katie Cattan, Planner; Anya Grahn, Planner; Polly Samuels McLean, Assistant City Attorney

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SPECIAL WORK SESSION – GENERAL PLAN

ROLL CALL

Chair Pro Tem Hontz called the meeting to order at 5:35 p.m. and noted that all Commissioners were present except Commissioners Thomas and Worel who were excused.

ADOPTION OF MINUTES OF OCTOBER 16, 2012

MOTION: Commissioner Wintzer moved to APPROVE the minutes of October 16, 2012 as written. Commissioner Gross seconded the motion.

VOTE: The motion passed unanimously by all Commissioners present.

PUBLIC COMMUNICATIONS

Commissioner Wintzer recalled conversations with Director Eddington and Commissioner Thomas on whether they should wait until the power station was done before meeting again with Gateway Planning. Director Eddington stated that representatives from Gateway Planning are scheduled to come back to Park City on December 12th; however, depending on how things work out with Rocky Mountain Power on the substation, the Staff may re-schedule Gateway Planning for January.

WORK SESSION – GENERAL PLAN – Review of draft core Values for General Plan including Natural Setting and Sense of Community.

Planner Cattan noted that the Planning Commission previously reviewed Small Town and Natural setting. Sense of Community was a new topic for discussion this evening. Based on comments from the last meeting, they would also revisit Natural Setting.

Planner Cattan introduced a concept of the HERS Index, which is the Resnet Homes Energy Rater. Energy performance testing is done on new homes to determine the efficiency rate. A lower index

score indicates a more energy efficient home. An existing home that was built until the old standards rated at 130 on the HERS Index. A standard home under the new energy Code rated at 100. The best scale rating was zero carbon footprint. Planner Cattan remarked that the HERS Index compares to how cars are rated for vehicle miles traveled for gasoline. She expected to see HERS ratings more and more in the future. Many communities are adopting regulations based on the HERS Index.

Planner Cattan stated that throughout the General Plan process there has been considerable discussion regarding energy efficiency and the best way to achieve it. The conversation has evolved from considering a housing maximum to conversations about purchasing TDR credits as a trade-off for a larger home. The credits would allow bonus space for the size of the home and offset carbon through open space.

Planner Cattan pointed out that Park City is a resort town and there are many large homes. If they continue with the same model and look into responsible homes such as adopting the HERS Index, the home would have to meet a certain reading to demonstrate that it would not create environmental impacts in terms of greenhouse gas emissions.

Planner Cattan stated that one of the strategies besides looking strictly at maximum house size or buying TDR credits would be to allow owners to exceed a maximum homes size with no limit, but through voluntary compliance with home efficiency standards.

A question for the Planning Commission was whether they agreed with the direction this has evolved.

Commissioner Wintzer stated that as he was walking to the meeting this evening, he questioned whether they were headed in the right direction based on the number of outside fire pits, heated driveways, etc. He felt the picture was bigger than just energy efficient homes.

Commissioner Gross referred to the question and asked if they would be setting a maximum and then allowing someone to exceed the maximum; or whether the maximum would be based on what was currently available and they could go beyond that.

Planner Cattan suggested that they look at the question as more of a concept of whether or not they agree with the direction. It could either be a maximum homes size based on a healthy output of a typical home or another efficiency standard. Director Eddington stated that the Commissioners should think of it as a concept for setting a maximum house size, but then allowing for incentivizing depending on the energy rating.

Commissioner Savage clarified that the standard would eventually find its way into the Land Management Code. By the time it reaches the LMC, the threshold to invest for additional density would be compared to the previous zoning eligibility for a particular area. Planner Cattan stated that there would not be a comparison in this case because Park City has never zoned for efficiency.

Commissioner Savage presented an example that if he currently owned a lot in Old Town he has a mechanism to determine the size of home he could built on the lot. Under the new implementation,

he could build a house on the same lot of a certain size but if he wanted a larger home, he would have to adhere to the HERS efficiency rating. Director Eddington replied that this was correct. Commissioner Savage asked if the house size he would be allowed to build would be smaller under the new standards than it would be under the current Code, or would it allow him the same rights.

Planner Cattan stated that a better example would be a home in the Park Meadows neighborhood rather than Old Town because Old Town has different rules associated with size. In Park Meadows you would be allowed to build out to your setbacks. As an example, if every home was maximized home at 2,500 square feet, they would set an energy standard to allow square footage beyond 2,500 square feet. As one scenario, in order to get a 3500 square foot home, the HERS Index would have to have an 80 rating. To increase the square footage to 4500 square feet the HERS index would have to be 70. Planner Cattan pointed out that the HERS Index rating would have to improve as the house size gets larger.

Commissioner Hontz understood that someone could never build to their setbacks unless they built appropriately or purchased credits.

The Commissioners voted with their clickers and the result was 100% yes.

Planner Cattan stated that at the last General Plan meeting they talked about having flexibility built into open space; therefore, protecting open space through zoning and natural resources management while providing flexibility for low impact adaptation to meet the needs of future generations. It would also include future renewable resource, technology site, agriculture and water storage. Planner Cattan remarked that based on their comments, the Planning Commission did not want flexibility built into the open space for renewable resources. She had amended the language to reflect their decision.

The amended language read, "Utilize restrictive covenants such as deed restrictions and conservation easements to aid in the establishment of open space values ensuring future conservation." Planner Cattan noted that the option was not completely gone because renewable resources could be built into a possible future bond.

The Planning Commission discussed Sense of Community. According to visioning, the elements that make up sense of community are the people, the shared common ground, the shared responsibility for the public good and it is inclusive not exclusive. A huge point made at visioning was that Park City is an inclusive town.

Sense of Community manifests itself in the community and the built environment through housing options, non-profits, public places where people meet, public facilities, venues and events, everyday places where people go, a shared quality of life and a shared environment. Planner Cattan noted that it focuses on public realm and public places, as well as job opportunities.

During the last meeting Commissioner Thomas wanted to know when they would begin talking about beauty and aesthetics. Planner Cattan stated that the Staff has talked about adding another goal within this section to address beauty and aesthetics and adopting city-wide neighborhood design standards for preservation of the beauty and aesthetic experience.

The Planning Commission voted on the question of whether or not to adopt city-wide design standards for preservation of the beauty and aesthetic experience within Park City. The vote tally was 100% yes.

Commissioner Strachan thought the ideas sounded great on the surface, but he was unsure how they could codify beauty and aesthetics because people have different opinions. Commissioner Wintzer agreed, however, he felt it was a place to start talking about what they would and would not like to see. Commissioner Strachan believed the start was worthwhile, but he assumed everyone in City government hopes to do things that are aesthetically pleasing and beautiful. Commissioner Savage agreed that it would be a challenge but beauty and aesthetics could be controlled through guidelines.

Director Eddington commented on the best management practices for design standards that could be applied in different areas. He believed they could set a basic standard to address materials, articulation, fenestration that most people could agree with.

The next question was whether the City has an obligation to the residents to require developers to consider sense of community within the design of future projects (e.g. incorporate criteria within the LMC or MPD process to address these issues. The Commissioners voted with their clickers and the tally was 80% yes and 20% no.

Director Eddington felt the issue was challenging because they now have to incorporate the criteria and deal with the challenges of subjective design. Commissioner Savage felt these issues were more important than the questions related to energy efficiency, square foot limitations and other quantitative rules they impose. If they set quality standards related to the objective of what they have in terms of look and feel, the quality of work follows naturally to achieve an end product.

The next question for the Planning Commission was what should the City prioritize to support Sense of Community. The four choices were: 1) Housing, 2) Cultural Amenities, 3) Improvements to public realm, 4) Job creation. The Commissioners voted and the result was 1) 40% 2) 20% 3) 40% 4) 0%.

Ruth Meintsma, a member of the public, remarked that housing was more important than the other three. She asked if the reference to housing was affordable housing.

Planner Cattan answered yes. Ms. Meintsma thought a level of housing in between Affordable Housing and nightly rentals has been overlooked and those are the houses that are rented out yearly. It is not included as Affordable Housing; but it is affordable housing when compared to nightly rentals. Ms. Meintsma pointed out that when these rented houses brings in a genre under sense of community that talks about how the work force is being pushed out in favor of the wealthy and class boundaries. She stated that the people who rent those houses are usually post-college or pre-family residents who live and work in Park City. That level of housing has been overlooked, but in fact, it provides a sense of community within an area that is largely a ghost town of nightly rentals.

Planner Cattan noted that the Staff was looking at eliminating nightly rental in the primary residential neighbors for that specific reason. Director Eddington stated that the Staff has struggled with housing that is valued between \$300,000 and \$500,000. It is remotely affordable but the City only accommodates approximately 4% of that value, which means they are missing recent graduates and/or starter families. He agreed with Ms. Meintsma that they were missing that same group who were renting.

Ms. Meintsma pointed out that when that group moves out after they have a larger family they cannot afford to live in Park City and they move away. However, they still add to the sense of community when they are there.

Director Eddington reviewed a chart of showing the area median income, which are those who live in Park City but can work anyway; the median work force wage, which are those who live and work in Park City; and the median home price in Park City, based on a combination of condo and single family housing. The next chart compared the Median Value to Median Income Ratios for Park City and Salt Lake from 1990-2010. He noted that the ratio is typically three times the value of the mortgage. For the median workforce it was approximately \$200,000 for Salt Lake or 3.75 times the value. For Park City the numbers were nearly 12 times the value. Director Eddington pointed out that it was impossible for someone at that income level to afford an average house in Park City. The numbers support the comments that Park City is missing a segment of residents who are forced to live in Summit County, Heber or Salt Lake. Planner Cattan stated that housing in Park City is unattainable for the median workforce.

Director Eddington reviewed a color coded Housing Ladder to showing the distribution of homes in different price ranges between Park City, Snyderville and Northern Wasatch County and Heber based on an inventory of the Region. He noted that Park City had a very low percentage; however, it provided a baseline to understand where they need start and move forward.

Planner Cattan moved to Housing Strategies. The Planning Commission was asked to choose their most preferred strategy for promoting housing affordability. The strategies were; 1) to require a range of unit types and sizes; 2) deed restrict units to set caps on pricing; 3) create a mortgage assistance program; and 4) Land Trusts, where the land beneath the home is owned by a housing trust.

Commissioner Strachan did not believe Land Trust was a workable strategy because the trust uses the same tools as the City. The Trust would say that the homes are deed restricted or set at a maximum price.

Commissioner Wintzer felt the real problem is that there was nowhere to step up after a unit is deed restricted.

Commissioner Savage thought they should include language that says to find ways to collaborate on the development of large affordable housing projects that are designed to be affordable. He felt that was a better approach than false ways to create affordability. Commissioner Strachan replied that the market would not support it. Director Eddington concurred. He was unsure what incentive would make a developer follow that direction. Commissioner Savage stated that the incentive would

be to allow the developer to have the necessary density associated with a project to put the cost per square footage in a range that makes affordability of the units more attractive. Commissioner Strachan believed the density would have to be set too high for that to work. He was not opposed to the idea of collaboration as long as the units could be deed restricted later. Commissioner Savage felt strongly that the City should look at affordable housing as a principle focal point because it could fundamentally change the longer term viability and stability of Old Town and create a vibrant community that addresses many of the issues in the General Plan. They need to think big because it could not be accomplished in small pieces.

Commissioner Wintzer stated that in his six years on the Planning Commission, one of the major arguments was when someone wanted to put affordable housing next to someone else. The problem is that everyone supports affordable housing but not in their neighborhood. Commissioner Wintzer agreed with Commissioner Savage's concept, but it would be difficult to accomplish.

The Commissioners discussed existing affordable housing developments.

Planner Cattan stated that one of the principles within Goal 8 – Affordable Housing, is to provide increased housing opportunities that are affordable to a wide range of income levels within all Park City neighborhoods. Other principles are to increase the rental opportunities within the resort neighborhoods and mixed use district; and to increase ownership opportunities within primary residential. She asked if the Planning Commission agreed with any or all of the principles.

Commissioner Savage answered no. Commissioner Wintzer reiterated his agreement with the concept proposed by Commissioner Savage, but the uncertainty of how it could be accomplished. Commissioner Wintzer stated that putting affordable housing units at the top of Empire Pass puts a financial burden on people because they would have to drive everywhere; and there is no sense of community to make it desirable to raise a family. Commissioner Wintzer believed there are neighborhoods where affordable housing is not appropriate.

Commissioner Hontz believes that affordable housing is appropriate everywhere but it takes a lot of thought and good planning to make it work in a specific area or neighborhood.

Commissioner Hontz stated that developers get creative if the burden is on them to create the unit versus pay a fee-in-lieu, and there is a good likelihood that it would happen in a timely manner. She believed that was a better approach than waiting to see what happens in the future as they run out of land or fight the fight to get affordable housing. She was not convinced that condos and 500 square foot units for all was the answer. Commissioner Hontz thought it would be necessary to have more single family developments like Snow Creek to meet the affordable housing needs. She emphasized that the issue requires a variety of answers and it has to be able to change over time. Commissioner Hontz felt strongly that postponing affordable housing now in exchange for fee in-lieu was not the answer.

Commissioners Hontz and Savage argued the pros and cons of single-family versus condo affordable housing.

Commissioner Strachan agreed that affordable housing needed to be everywhere. If they assume that everyone in a certain price range wants a certain living experience, they are making an assumption about a perspective buyer. He knows several people with kids who would love to live in Empire and would not care about being isolated. Commissioner Strachan did not think they should assume what a buyer would want.

Commissioner Savage felt it was important to find a solution that would not create artificial pricing processes. Commissioner Strachan remarked that the issue is location. Developers like to develop in Empire Pass and the reason land is so expensive is because it is a desirable location. However, it is not just desirable to people with high incomes. People with middle to lower incomes would also like to live there. The developer understands that, which is why he would prefer to build something that only the highest incomes would pay the maximum market rate. Having the ability to put affordable housing elsewhere is a huge benefit for the developer and they would take every opportunity to do it. If the developer pays the fee in-lieu the City loses the ability to have an affordable unit in a desirable location, and a newcomer to Park City loses the opportunity to enter a lottery to live in Empire Pass. That value is lost to the City.

Director Eddington stated that a solution might be to strongly encourage the developer to build affordable housing on-site and double or triple the fee in-lieu to make building on-site more attractive. Commissioner Strachan agreed, but they still need to look at the motivation of the incoming buyer and where they would want to live. Commissioner Strachan stated that the demand will always outstrip the supply of affordable housing because the market is unbalanced. People with lower incomes cannot afford to live in Park City and there will always be that demand.

Commissioner Savage suggested that if someone put together a pro forma as a business project that would find ways to create significant amounts of affordable housing density that could be either rented at market rates or sold with a cap on appreciation rates, it would address this problem in a significant way. However, it would require the City to find a way to facilitate putting the land to the developer and it would require the City to accept the concept of density. That would be the only way they could come up with a pro forma that would pencil out in a way that would attract developers. Commissioner Savage believed it would change the face of how Park City is perceived within its own community as well as the overall resort development community in terms of embracing the idea of people living and working in Park City.

Planner Cattan stated that two added strategies to the General Plan could be; 1) to review the existing affordable housing MPD through true economics by doing a pro forma to make sure it works and that there is an incentive to do an Affordable MPD; and; 2) base the in-lieu fee on land values instead of square footage.

Planner Cattan understood that there was still disagreement among the Planning Commission that affordable housing should only be in primary residential neighborhoods

The Commissioners voted on their preferred strategies that were outlined earlier in the discussion. The tally was: 1) 40% 2) 20% 3) 20% 4) 20%.

Planner Cattan reported that the Task Force was asked the same question. They supported all the strategies but they preferred to create more variety through limiting size and type.

Commissioner Gross stated that if the objective is to bring in people at the \$55,000 income level, they needed to set the price; otherwise the market would drive the price.

Planner Cattan stated that where they were heading on market rate affordability was identify sites within primary residential neighborhoods in which one or more of the following could be accommodated or encouraged. 1) Decrease minimum lot size requirements; 2) increased density; 3) smaller residential units to create market rate attainable, or move-down housing options for seniors in the community.

The Commissioners were asked to vote yes or no on whether they agree. Director Eddington clarified that the question was focused on primary residences. Commissioner Hontz thought it was possible to agree, but also say secondary homes.

The Commissioners voted and the tally was 100% yes. Planner Cattan asked if the Planning Commission would want to include areas such as Thaynes or Solamere. Commissioner Hontz noted that there were only a few places where land was available and she thought some locations would be good and others would not. She was not opposed to locating affordable housing in secondary neighborhoods.

Director Eddington asked for a show of hands as to how many Commissioners were interested in exploring specific sites in secondary neighborhoods. Commissioner Strachan asked if cost was the reason the City would not consider purchasing existing privately owned property and converting it to deed restricted affordable housing. Commissioner Hontz pointed out that the City is not a development company.

Commissioner Savage felt that he did not have a clear understanding of their real goals for affordable housing. Director Eddington noted that his comment would be addressed later in the presentation. Commissioner Savage thought they should start with the big picture of what they hope to ultimately attain and then work backwards into the details.

Planner Cattan stated that currently 20% of the workforce lives within the City limits, and the City's goal is to house a minimum of 35% of Park City's workforce in Park City in the next 10 years.

She asked what the Planning Commission would see as a healthy percentage over the next 20 years. The choice was 1) whether to maintain 35%; 2) 40%; 3) 45% 4) 50% or 5) above 50%.

The Commissioners voted and the tally was 1) 40% 2) 20% 3) 40% 4) 0% 5) 0%.

Commissioner Savage believed that affordable housing could be the single most important way to mitigate traffic issues as long as they get it right.

Commissioner Strachan wanted to know the criteria the City Council used to establish 35% as the minimum in ten years. Director Eddington replied that it was based on the current affordable housing study and the prior housing study from 2007 and 2011. He was unsure why the City

Council chose 35%, and he offered to research why they came up with that number. He assumed that due to the demographics of Park City a higher number may be unattainable. Council Member Butwinski stated that it was also based on projected demands because the County currently has a surplus of affordable housing.

Commissioner Gross pointed out that the City was currently 50% under where they should be for affordable housing in terms of numbers.

Ms. Meintsma asked if work force and affordable housing is always related to \$55,000 a year and under. Planner Cattan noted that the wage is reassessed each year. Ms. Meintsma could not understand why there was not Affordable Work force A and B. Affordable Work Force A could be \$55,000 per year and at one level of affordable housing; and B could be \$100,000 to accommodate a second work force.

Planner Cattan explained that a range of affordable housing is used when a development is created. Ms. Meintsma thought there should be different labels because they are not the same genre of people. In her opinion, affordable housing would be easier to work with if it was categorized as A and B. Planner Cattan stated that affordable and attainable were the two terms they try to use. Attainable would be those earning a higher wage.

Director Eddington stated that the Staff was trying to create a tiered approach to affordable housing.

Planner Cattan reviewed a graph showing the average sale prices of single family homes by Park City neighborhood from 1998 to 2011. Lower Deer Valley, Aerie and Sunny Slopes were the highest and the lowest was Bonanza Park and Prospector. A second graph showed the average sale price by condos by location. Upper Deer Valley was the highest followed by a mix in the other neighborhoods.

Planner Cattan presented a slide showing the breakdown of units by occupancy for Park City neighborhoods. Green represented owner-occupied units, the light green represented renters and the pink and blue colors represented vacant units and seasonal units. Director Eddington noted that Thaynes, Park Meadows, the Aerie and Bonanza Park were the only ones who hit 50% in terms of owner-occupied or renter-occupied. Commissioner Savage asked if upper Deer Valley included Empire. Planner Cattan answered yes.

Planner Cattan provided a breakdown of the different neighborhoods.

A question for the Planning Commission was whether they should only allow visitor oriented developments such as hotels and nightly-rental within existing resort neighborhoods. She noted that areas with nightly rentals typically have less primary homeownership.

The Commissioners voted on the question and the result was 80% yes and 20% no.

Goal 7 was to create a diversity of housing opportunities to accommodate the changing needs of residents. Planner Cattan stated that this was an opportunity for the Planning Commission to

comment on the principles and strategies of Goal 7. Director Eddington stated that the Commissioners could make their comments this evening or provide it to Planning Department via email. Commissioner Hontz had written comments that she submitted.

Commissioner Hontz asked for an explanation of the last bullet item on the strategies, "Support start-up of a scattered site land trust". Planner Cattan used Snow Creek as an example. If the City purchased the land under Snow Creek and a developer developed it, the land would be kept in a land trust. It would keep the price of future housing lower because the land is owned by a separate entity. She explained that having scattered land trusts is a new in housing. The idea is to purchase properties within Old Town at the lowest value. If the City owned the land underneath the structures it would keep the pricing down over time. A scattered land trust means that several unrelated properties are held in a land trust by one entity.

Planner Cattan called for comments on Goal 8 - Provide affordable housing opportunities for the residents and workforce of Park City. She noted that when they initially started this process the Planning Commission requested more specific detail. The Planning Commission was satisfied with the additional detail provided.

Goal 9 - Park City shall continue to provide unparalleled parks and recreation opportunities for residents. Commissioner Strachan and Gross strongly agreed. Commissioner Wintzer pointed out that it would raise the values of land and homes in Park City, which conflicts with the goal for affordable housing.

Goal 10: Park City shall provide world-class recreation infrastructure to host local, regional, national and international events, thus furthering Park City's role as a world-class, multi-seasonal destination resort community. Planner Cattan asked if this would compliment sense of community or threaten sense of community. She noted that there were good discussions with the Task Force on this question.

Commissioner Wintzer could see how it would compliment and threaten. Planner Cattan remarked that the Task Force felt it was important to mitigate the impacts of traffic, timing, parking, spacing between events, etc.

Goal 11- Support the continued success of the tourism economy while preserving the community character that adds to the visitor experience. Planner Cattan remarked that this goal was an effort to balance the two. She noted that the action strategy is to protect the unique attributes of the City that makes Park City unique. Director Eddington pointed out that there are costs associated with being unique.

Goal 12 - Foster diversity of jobs to provide greater economic stability and new opportunities for employment in Park City. Planner Cattan stated that in looking at Park City's current economy, they are very resort oriented and not diverse. This goal would encourage creating greater economic stability through diversity. Director Eddington remarked that there was also a cost associated with fostering that kind of growth.

The Planning Commission voted on whether they agreed or disagreed with Goal 12. The vote tally was 60% yes and 40% no.

Commissioner Savage asked if the Planning Commission would have the opportunity to discuss timing and prioritize the goals.

Planner Cattan asked if there was any discussion against diversity of jobs. Commissioner Savage believed there should be a certain amount of resource to do a certain number of things. If there is too much diversity nothing gets done right. He recommended that they prioritize the single most important element to achieve the objective of keeping Park City Park City. They need to focus on one goal and get it right. Planner Cattan stated that within a General Plan you must plan for land use, housing, etc. Commissioner Savage understood, which is why he had suggested prioritization and timing.

A member of the public thought they should think about what Park City would be like if it did have diversified economy and other high paying jobs. They would have to think about the kind of industries that would support those jobs and whether that would keep Park City, Park City. She believed job diversity would probably change who they are.

Goal 13 - The future of the City should be planned to include limits (including ecological, qualitative, and economic) to foster innovative sustainable development, protect the community vision, and negatively impacts the region. Planner Cattan stated that this goal talks about natural resource planning within the open space. It also starts to quantify natural limits for things such as water and air quality. Those are things that can be quantified for the future make sure they do not exceed the limits and push the boundaries.

The Commissioners voted on whether they agreed or disagreed with Goal 13. The vote was 100% agreed.

Commissioner Savage noted that the goal talks about limits to foster sustainable development, but it does not address the objective. They cannot limit something without knowing what it is they are limiting. Commissioner Savage stated that they need to quantify the definition of sustainable development with the definition of protecting the community vision and set that as an objective.

Planner Cattan stated that another General Plan meeting was scheduled for Tuesday, December 11th at 5:30 p.m., followed by the Planning Commission holiday party. The regular Planning Commission meeting would be Wednesday, December 12th. Director Eddington announced that due to the Thanksgiving holiday the second regular meeting was cancelled.

The Work Session was adjourned.