

Housing Authority Staff Report



Author: Phyllis Robinson
Subject: Treasure Hill Affordable Housing Plan
Date: February 26, 2008
Type of Item: Direction - Housing Authority

Sustainability

SUMMARY RECOMMENDATION

Staff recommends that the City Council consider the Planning Commission's input, conduct a public hearing and provide direction on the proposed employee housing mitigation strategy.

DESCRIPTION

Treasure Hill Employee Housing Mitigation Plan

BACKGROUND

The Affordable Housing requirements were stated within the tenth development parameter and condition of the original Treasure Hill MPD. Number 10 states "As projects are submitted for conditional use approval, the city shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application."

The Applicant submitted its initial Housing Mitigation Plan in accordance with Housing Resolution 17-99 which was in effect at the time of the Conditional Use Permit application. It is included as Attachment A. Please note that late last week the applicant proposed an amendment to that proposal which is discussed herein.

Under this Resolution the applicant is required to mitigate for employee housing impacts by satisfying the following requirements.

Affordable Housing Mitigation Requirements

- Fifteen Percent of the total residential units constructed shall be provided as Affordable Unit Equivalents (AUE).
- One Affordable Unit Equivalent shall be provided for 20 percent of the employees generated by the retail, restaurant, hotel and office components of the project.
- One Affordable Unit Equivalent is 800 square feet.

Location of Affordable Unit Equivalents

Affordable Unit Equivalents (AUEs) shall be constructed on the project site, unless the developer can demonstrate to the Housing Authority compelling evidence (density or design) that the project should not accommodate on-site units. Subject to Housing Authority approval, the following alternatives, in order of preference are available:

- Construction of units within the Park City Limits
- Construction of affordable units within the Park City School District Boundaries
- Land donation

- Acquisition of off-site units
- Payment of in-lieu fees. The fee in effect at the time of application is \$59,828 per Affordable UE.

ANALYSIS

The Housing Mitigation Plan is being reviewed at this stage in the planning process because of the need to resolve the amount and location of the employee housing units. The Applicant submitted its Housing Mitigation Plan in December 2008. The initial submittal proposed two key elements to address the employee housing requirement.

1. The Applicant proposed 4,000 net square feet of on-site dorm style seasonal employee housing. There will be a significant seasonal workforce at this project. The proposed 4,000 square feet could house 26 employees or approximately 17 percent of the projected employee mitigation.

2. The Applicant requested the option of providing an in-lieu payment to the City for the remaining affordable housing obligation. According to Housing Resolution 20-07 payment of in-lieu fees may be approved if in the City Council/Housing Authority determination that (1) no other alternative is feasible, (2) such a payment would result in more immediate development of housing or (3) such a payment would leverage additional resources. Recognizing that an in-lieu fee is the least preferred option in meeting the employee housing obligation, the Applicant proposed voluntarily to be bound by the requirements of the current Housing Resolution 20-07. While this option does not result in any additional AUEs provided by the Applicant, the in-lieu payment option, if approved, would increase significantly from \$1.4 million to \$3.57 million based on the current proposal and/or maximum allowed commercial/residential square footage. Assuming an average per unit size of 1,200 square feet this is equivalent to 15.6 affordable units with a construction cost excluding land of approximately \$240,000. The proposed in lieu fee of \$3,569,033 would fund the full construction of a nearly equivalent number of units (14.8 units). The proposed in-lieu payment could be used as a source of construction funding and subsidy to enhance affordability for the redevelopment of the Park Avenue Fire Station/Woodside Avenue Senior Center sites which is proximate to the project. While this would be a benefit to this project and to the range of affordable housing options in Park City, it does shift the burden and risk for the development, sales and/or lease up and management of these units from the Applicant to the City.

Table 1 summarizes the Applicant's preliminary housing obligation based the current proposal and/or maximum allowed commercial/residential square footage. Based upon preliminary analysis, the project requires 28.47 Affordable Unit Equivalents, or 22,775.38 square feet.

Table 1: Estimated Housing Obligation

Employee Generation (commercial)	Resolution 17-99 AUE = 800 sq. ft	Resolution 20-07 AUE = 900 sq. ft
a. Employees per 1,000 sf per Resolution	2.90	2.9
b. Proposed Square Feet Commercial	19000	19000
c. Total Employee Generation Projection (a x b/1000)	55.10	55.10
d. Assumed Workers per Household per Resolution	1.30	1.5
e. Total Worker Households (c ÷ d)	42.38	36.73
f. Park City Mitigation Rate per Resolution	0.20	.20
g. Employee Mitigation Required (e x f)	8.48	7.35
h. Affordable UEs Required (g ÷ 2)	4.24	3.67
Employee Generation (commercial)		
i. Employees per hotel room per Resolution	0.60	.60
j. Proposed Number of Rooms per Applicant	200	200
k. Total Employee Generation Projection (i x j)	120	120
l. Workers per Household per Resolution	1.30	1.5
m. Total worker households (k ÷ l)	92.31	80
n. Park City Mitigation Rate per Resolution	0.20	.20
o. Employee Mitigation Required (m x n)	18.46	16.0
Affordable UEs Required (o ÷ 2)	9.23	8.0
Residential Development		
p. Proposed Residential Units per Applicant	100	100
q. Park City Mitigation Rate per Resolution	15%	15%
Subtotal: Affordable UEs Required (h X i)	15	15
TOTAL AUES Required	28.47	26.67
Total: Affordable AUES proposed to be on-site	5.0	4.44
Total outstanding AUES proposed for in lieu fee	23.47	22.23
In-Lieu Contribution per AUE per Resolution	\$59,828	\$160,553
Total: Proposed In-Lieu Contribution (In lieu contribution x outstanding AUES)	\$1,404,163	\$3,569,093

Important Note: The AUE calculations are a preliminary ESTIMATE at this time based on the current proposal and/or maximum allowed commercial/residential square footage. The AUEs are subject to change in accordance with the final residential/commercial mix as approved by the Planning Commission. Should the AUEs change +/- 10 percent, staff will return to the Housing Authority to make sure such a change does not impact the direction given at this meeting.

The Planning Commission reviewed the Applicant's proposed housing mitigation plan at its January 7, 2009 work session. There was consensus that at minimum the bulk of the units should be provided on-site, with a strong preference for all of the units on site. Commissioner Pettit stated that "they struggle in town to find sites to locate affordable housing units and yet this land is already in town and within walking distance of Main

Street and access to public transportation.” Other Planning Commissioners echoed Commissioner’s Pettit’s statement. The majority of the Planning Commissioners did express concern, however, about the potential impact on the project’s mass and scale. Subject to actual plan review, Planning staff estimates that the AUEs can be accommodated on-site without being detrimental to the overall project design. Attachment B is the minutes from the Planning Commission work session on this topic.

The Applicant expressed concern that providing additional on-site employee housing could require additional density within the project site and an amendment to the existing Master Planned Development (MPD). The City Attorney confirmed that employee housing provided on-site does not count against base project density and would not require an amendment to the MPD. The units would need to be incorporated within all other existing parameters of the MPD. This is consistent with how staff has treated AUEs with respect to maximum project EU density on all other projects (except stand alone AUE applications).

Following the January 7 work session and the Planning Commission’s input at that meeting that units should be provided on-site, the Applicant has proposed an alternative housing mitigation strategy to incorporate the employee housing on-site. This proposal was presented verbally to Staff on February 19, 2009 and is discussed below.

REVISED PROPOSAL

On-site housing is the most preferred option under the City’s housing resolution. Providing units on-site can minimize daily vehicle trips, especially during peak hours, ensures that the units are constructed in a timely manner, and places the responsibility for these units on the developer and the project that is creating the demand. The Applicant’s proposal would provide 16,000 square feet of employee housing on-site. The units would be configured in a dorm/lodge style setting. As proposed, each employee would have a private bedroom with shared bath (one bath to four residents), common areas and kitchen. The acceptance of dormitory/lodge style units for occupancy by winter seasonal employees is permissible under the City’s Housing Resolution. Such permission is at the sole discretion of the City Council. The Applicant has indicated that these units could be available for year round or summer seasonal use, as well. Based on the City requirement of 150 net livable square feet of livable space per employee, this proposal would provide housing for approximately 90 – 100 seasonal employees. Based on the current proposal and/or maximum allowed commercial/residential square footage the applicant is required to provide housing for 71 employees.

Analysis

The 16,000 square feet proposed by the applicant is approximately 30 percent less than the 22,776 square footage that is required by Resolution 17-99 (and one-third less than the 24,000 square feet required under Resolution 20-07.) In comparison, the 90 – 100 employees that would be accommodated by this project are approximately one-third greater than the 71 employees estimated by the Affordable Unit Equivalents. This is attributable to the lodge-style configuration with shared dining, common and bath

facilities that creates a more efficient building design. The Housing Resolution provides City Council with the ability to waive all or part of the requirements in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development.

The Applicant proposes that the entire amount of required employee housing be developed as dorm/lodge-style units with shared common areas and baths. This would create a new housing option for seasonal workers in Park City. Planning and Sustainability staff requests, however, that a portion of the units be developed as private units. This increases the diversity of unit types and may appeal to a broader range of employees. The private units, in particular, may be more suitable to year round employees. A well-designed project may provide a higher quality living environment for workers than an overcrowded private rental unit. Alternatively, the provision of dorm/lodge style housing may be less desirable for year round employees. Permitting the construction of primarily seasonal housing does not add to the permanent housing supply. ***Staff is seeking Council direction and discussion on the Applicants revised proposal with specific focus on the issues below.***

- ***Is Council comfortable with the Applicant's proposal to provide a dorm/lodge-style housing arrangement targeted primarily for seasonal workers vs. permanent housing for year round employees?***
- ***Does Council support Staff's request that a portion of the units be developed as private units? If so, Staff is asking for general Council direction on the preferred unit configuration and would recommend that the final mix of units and configuration be determined as part of the Planning Commission's current review of the Treasure Hill Conditional Use Permit.***
- ***If so, Staff is seeking Council direction on the Applicant's proposal which provides less total square feet than required, but meets or exceeds the total number of employees required to be housed?***

Other Issues for Council Consideration

- **Initial Proposal.** The Applicant initially proposed to meet their housing obligation with 4,000 square feet of dorm/lodge style housing on-site and the majority of their housing obligation through an in lieu fee. The revised proposal demonstrates that the AUEs in terms of employees housed can be accommodated on-site which is Applicant's preferred alternative. ***Does Council wish to explore any further a fee in lieu option for this project? If so, under what conditions would Council be willing to accept an in-lieu fee payment?*** Planning Staff would recommend further evaluation of the in lieu fee specifically as a funding mechanism for the Woodside/Park Avenue properties due to their proximity to the Treasure Hill Hotel/Condominium project.
- **Off-site units within the City Limits.** Another employee housing option is to provide units within the Park City limits. This is the next preferred option after

providing units on-site. ***Does Council wish to provide direction to the Applicant to consider off-site locations?*** The Applicant has not proposed offsite units as part of its mitigation strategies.

SIGNIFICANT IMPACTS

Accommodating the additional units on-site can be accomplished within the parameters of the existing MPD. As stated above, Planning staff estimates that the units can be accommodated on-site without being detrimental to the overall project design.

Increasing the amount of on-site employee housing may have an impact on the current design and volumetrics that the Planning Commission will need to consider within the overall context of the project. Second, the acceptance of an in lieu fee will not result in the immediate production of affordable housing. Staff has identified a project where these funds could be used in a timely manner (2 – 3 years) to enhance affordability as required by the Housing Resolution.

DEPARTMENT REVIEW

Sustainability, Planning, Legal and the City Manager reviewed this report.

ALTERNATIVES

- A. Approve the Request:** The City Council/Housing Authority could approve the revised Housing Mitigation Plan as submitted by the Applicant.
- B. Modify the Request:** The City Council/Housing Authority could modify the request by directing the Applicant to provide additional square footage and/or offer private units
- C. Continue the Item:** The City Council/Housing Authority could continue the item and direct Staff to return with additional information. This could include direction to return to Planning Commission for input on the Applicant's revised proposal.
- D. Deny the Request.** The City Council/Housing Authority could deny the request and direct the Applicant to resubmit the Housing Mitigation Plan.

RECOMMENDATION

Staff recommends that the City Council consider the Planning Commission's input, conduct a public hearing and provide direction on the proposed employee housing mitigation strategy.

ATTACHMENT A: Employee Housing Mitigation Proposal

ATTACHMENT B: January 7, 2009 Planning Commission Minutes

December 12, 2008

Emailed and Hand Delivered
Phyllis McDonough Roberson,
Community and Public Affairs Manager
Park City Municipal Corporation
1354 Park Avenue
P.O. Box 1480
Park City, Utah 84060-1480

Re: **Employee Housing Contribution**

Dear Phyllis,

Pursuant to the October 28th, 2008 meeting with you, Mark Harrington, Katie Cattan, Pat Sweeney and Mike Sweeney this letter is being submitted to you to set forth the MPE's position with respect to its 1986 Sweeney Properties Master Plan approval as it pertains to employee housing. It also includes a proposal to contribute to employee housing.

MPE supports the principle of employee housing. Condition No. 10 of the Sweeney Properties Master Plan approved by the Planning Commission on December 18, 1985 and subsequently approved by the City Council on October 16, 1986 specifies that: "As projects are submitted for conditional use approval, the City shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application (emphasis added)." And, in addition, in Section VI, Major Issues, Employee Housing, states: "At the time of conditional use approval, individual projects shall be reviewed for impacts on and the possible provision of employee housing in accordance with applicable city ordinance in effect (emphasis added)."

MPE understands that in 2006 Mr. Pat Putt, on behalf of the City, took the position that "adopted ordinances in effect at the time of application," meant that Resolution 17-99: "*Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah*" would apply. Notwithstanding Mr. Putt's letter of June 7, 2006, we believe that the 1999 Resolution pertains to annexations into the City and master planned developments approved after the date of the Resolution. The filing of a conditional use permit "CUP" for a previously approved master planned development would not require compliance with this Resolution. Nonetheless, MPE is prepared to recommend, subject to an acceptable approval and development agreement, a financial contribution to employee housing utilizing the greater 2007 standards rather than the 1999 standards in the Resolution (**see proposal below**) to be located off-site of Treasure Project boundaries or to negotiate for other substitutes acceptable to MPE and the other owners and approved by the City Council. Furthermore, MPE proposes that the Treasure Project will

Page 1 of 3

3. Location/Development alternatives.

Affordable Housing units shall be constructed on the project site, unless the developer can demonstrate to the Housing Authority compelling evidence (density or design) that the project should not accommodate on-site units. Subject to Housing Authority approval, the following location alternatives, in order of preference, are available:

1. Construction of affordable units within the Park City limits;
2. Construction of affordable units within the School District boundaries;
3. Land donation;
4. Acquisition of off-site units within Park City limits subject to Housing Authority approval; and,
5. Payment of in lieu fees. The fee is structured on the subsidy gap that is required to construct rental and for-sale units, not on the actual cost of construction. For 1999 the figure is \$59,828 per unit.

These figures are based on 1999 costs and will need to be administratively adjusted to reflect market costs at the time of project approval. The in-lieu fee figure can be reduced by the Housing Authority if the payment occurs in the first two years of the development process and results in a partnership that leverages the immediate production or purchase of units. Methodology for the in lieu fee calculation can be found in the Park City Housing Data Handbook 1999.

4. Design/Site criteria

Projects shall be integrated in design and in income. Large scale projects that provide the same unit type at the same price or rent and that are isolated from community services and public transportation are discouraged. Smaller projects located near community services that provide for mixed income levels are mixed unit types are preferred.

5. Limitation Period.

Rental rates and resale price limitations shall remain in place for a minimum of 40 years, with perpetuity being the preferred alternative. First right of refusal and/or option to purchase shall be granted to the Housing Authority. The Authority shall have 90 days to respond or assign the above-described rights. Longer terms of limitation may be negotiated on individual projects as directed by the Housing Authority. This limitation period may also be reduced based upon the provision of additional public benefits such as preservation of historic structures or other community benefits as negotiated by the Housing Authority.

SECTION 5. INDEPENDENT CALCULATION

An applicant may submit an application for independent calculation requesting modification to the following:

- a) Unit Standards;
- b) Limitation Standards;
- c) Unit Equivalents; and,
- d) In Lieu Guidelines cost calculations.

The application for independent calculation shall be reviewed by the Housing Authority. If the material in the application demonstrates by substantial competent evidence that there is reasonable basis to modify the standards listed above because of unique circumstances related to the proposed

incorporate a limited amount of “seasonal” employee housing onsite provided such does not violate the Sweeney Properties Master Plan.

Employee Housing Contribution Proposal

1. Provide 4,000 net square feet of on-site dorm style seasonal employee housing on three levels with 150 square feet of net liveable space per person, without increasing the building footprint or height.
2. Propose to use the Affordable Housing Requirements per Resolution 2007 instead of Resolution 17-99 to calculate the number of affordable unit equivalents “UEs” (26.67 and 28.47 respectively), size of a unit equivalent (900 net square feet and 800 net square feet respectively), affordable square feet required (24,006 square feet and 22,775 square feet respectively) and the Buyout Price (\$3,569,093 and \$1,404,163 respectively). See table below for details of calculations. **These calculations are approximate and are based on the proposed units, unit type and other Treasure Project assumptions that are subject to CUP approval and ultimate build-out of Treasure.** This financial contribution to employee housing can be used to support Affordable/Employee Housing located off-site of the Treasure Project or for other substitutes acceptable to substitutes acceptable to MPE and the other owners and approved by the City Council.

This proposal is sensitive to the neighbors’ and Park City Planning Commission’s concerns with respect to traffic, density, height and massing of the Treasure Project and we believe complies with the Sweeney Properties Master Plan conditions of approval. Moreover it provides an increase of \$2,164,930 in the Buyout Price.

As always, I appreciate working with you.

Sincerely,

MPE, Inc.



Michael E. Sweeney,
Vice President

Treasure
Affordable Housing Requirements per Resolution 17-99

Employee Generation (commercial)	
Employees per 1,000 sf (Note 1)	2.90
Proposed Square Feet Commercial	19000.00
Total Employee Generation Projection	55.10
Workers per Household	1.30
Total worker households	42.38
Park City Mitigation Rate (Note 2)	0.20
Employee Mitigation Required	8.48
Subtotal: Affordable UEs (800 sq. feet) Required	4.24
Residential Development	
Proposed Residential Units	100
Park City Mitigation Rate	15%
Subtotal: Affordable UEs (800 sq. feet) Required	15
Employee Generation (commercial)	
Employees per hotel room	0.60
Proposed Number of Room	200.00
Total Employee Generation Projection	120.00
Workers per Household	1.30
Total worker households	92.31
Park City Mitigation Rate (Note 2)	0.20
Employee Mitigation Required	18.46
Subtotal: Affordable UEs (800 sq. feet) Required	9.23
Total: Affordable Square Feet Required	22,775.38

Treasure
Affordable Housing Requirements per Resolution 2007

Employee Generation (commercial)	
Employees per 1,000 sf (Note 1)	2.90
Proposed Square Feet Commercial	19000.00
Total Employee Generation Projection	55.10
Workers per Household	1.50
Total worker households	36.73
Park City Mitigation Rate	0.20
Employee Mitigation Required	7.35
Subtotal: Affordable UEs (900 sq. feet) Required	3.67
Residential Development	
Proposed Residential Units	100
Park City Mitigation Rate	15%
Subtotal: Affordable UEs (900 sq. feet) Required	15
Employee Generation (commercial)	
Employees per hotel room	0.60
Proposed Number of Room	200.00
Total Employee Generation Projection	120.00
Workers per Household	1.50
Total worker households	80.00
Park City Mitigation Rate	0.20
Employee Mitigation Required	16.00
Subtotal: Affordable UEs (900 sq. feet) Required	8.00
Total: Affordable Square Feet Required	24,006.00

Comments:

- 1) 17-99 has 1.3 workers per household while 2007 has 1.5 workers per household.
- 2) 17-99 base is 800 square feet and 2007 is 900 square feet.

Total estimated Buyout Price (excludes 4,000 sq. ft.)

Resolution 17-99 Affordable UEs = 19.23 @ \$59,828	\$1,404,163
Resolution 2007 Affordable UEs = 18.56 @ \$160,553	\$3,569,093
Increase in Buyout Price	<u>\$2,164,930</u>

Employee Housing Contribution

Treasure supports the principle of employee housing. Condition No. 10 of the Sweeney Properties Master Plan approved by the Planning Commission on December 18, 1985 and subsequently approved by the City Council on October 16, 1986 specifies that: “As projects are submitted for conditional use approval, the City shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application (emphasis added).” And, in addition, in Section VI, Major Issues, Employee Housing, states: “At the time of conditional use approval, individual projects shall be reviewed for impacts on and the possible provision of employee housing in accordance with applicable city ordinance in effect (emphasis added).”

Treasure’s opinion is that the “adopted ordinances in effect at the time of application,” Resolution 17-99: “*Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah*” does not apply, notwithstanding Mr. Pat Putt’s letter of June 7, 2006 as shown below. This resolution pertains to annexations into the City and new master planned development. A conditional use permit “CUP” does not trigger this resolution. Nonetheless, Treasure will work with the City to, make a financial contribution to employee housing to be located outside of Treasure or other substitutes acceptable to Treasure and approved by the City Council. Furthermore, Treasure will incorporate a limited amount of “seasonal” employee housing into Treasure provided such does not violate the Sweeney Properties Master Plan as it pertains to the Mid-Station and Creole Sites (Treasure).

Mr. Putt's June 7, 2006 Letter

June 7, 2006

Mr. Patrick Sweeney
Mr. Michael Sweeney
Mr. Edward Sweeney
C/o MPE, Inc.
Post Office Box 2429
Park City, Utah 84060

RE: Treasure Hill Employee Housing Requirement

Dear M. Sweeney:

This letter is a follow-up to our meeting on Tuesday, May 30th where you requested the City's position regarding whether or not MPE, Inc. is required to provide employee housing mitigation as part of its' current Treasure Hill conditional use permit application.

Condition No. 10 of the Sweeney Properties Large Scale Master Planned Development approved by the Planning Commission on December 18, 1985 specifies that:

"As projects are submitted for conditional use approval, the City shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application."

This condition of approval leaves no room for ambiguity. You submitted a conditional use permit application to the City on January 26, 2004. Resolution 17-99: Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah (which includes employee housing) is the affordable housing requirement in effect at the time you submitted your conditional use permit application. The City is currently in the process of reviewing your conditional use permit application.

It is my determination that Resolution 17-99 applies to the Treasure Hill conditional use permit application. I have been unable to find any documentation in my files that demonstrates the City has waived this administrative requirement. Furthermore, I have reviewed my determination with the City Attorney's office. The City Attorney concurs with my determination.

I will be happy to continue to work with you reviewing your revised/updated project plans, including strategies for providing the employee housing required under Condition No. 10.

Please feel free to contact me at (435) 615-5062 should you wish to discuss this matter in greater detail.

Sincerely,

Patrick J. Putt
Planning Director

cc: Mark Harrington, City Attorney
Polly Samuels McLean, Assistant City Attorney
Phyllis Robinson, Affordable Housing Project Manager

Page 2 of 2

**PARK CITY PLANNING COMMISSION
WORK SESSION
January 7, 2009**

PRESENT: Jack Thomas, Rory Murphy, Dick Peek, Julia Pettit, Evan Russack, Adam Strachan, Charlie Wintzer, Brooks Robinson, Katie Cattan, Phyllis Robinson, Polly Samuels McLean

WORK SESSION ITEM

Treasure Hill - Re-introduction and discussion

Planner Katie Cattan stated that the objective this evening was to re-introduce the Treasure Hill conditional use permit. She noted that in 1985 the discussions of the Planning Commission ranged from scattered homes across the 123 acre site to a more dense, compact and less sprawled higher story buildings. In the end, the approval was for more compact, dense development at the Creole Gulch and Mid-station sites of the original MPD.

Planner Cattan presented a rendering of one option that was presented to the Planning Commission in 1985. The rendering provided an overall picture of the actual ownership of the land. The property went all the way up Treasure Hill. Another slide showed the location of the proposed project.

Planner Cattan stated that the approval for more dense development called for 97% open space, which is 110 acres that will be dedicated to open space, more dense and taller buildings, and it allowed for greater heights. A height exception was approved by the City Council during a call-up. Planner Cattan noted that a height exception in a master planned development had to be approved by the City Council. She presented a rendering from the Aerie of the Treasure Hill development, showing Creole Gulch and the Mid-station.

Planner Cattan noted that the parcel sits above the HR-1 zone within the Estate Zone. She pointed out that the Creole Gulch site is proposed to be a resort hotel, private club area, and employee housing. The Mid-Station site is proposed to be condominiums or buildings that look more like single family home buildings.

Planner Cattan reported that the Sweeney Master Plan was approved by the City Council October 16th, 1986. It was made up of 125-1/2 acres on Treasure Hill. Within the MPD the Coalition properties were created, which included the town lift plaza on Main Street, the HR1- properties, the Hillside Properties and three single family lots. The two remaining sites to be developed are the Creole Gulch and the Town Lift Mid-station.

Planner Cattan stated that the Creole Gulch site is allowed to have 161-1/2 residential UE's under the MPD and 15.5 commercial UE's. The Town Lift Mid-Station is allowed 35-1/2 residential and 3.5 commercial. The total is 197 residential UE's and 19 commercial UE's. Planner Cattan clarified that residential is quantified by 2,000 square feet and commercial is 1,000 square feet.

Planner Cattan stated that the standards for review are handled differently if there is a master planned development. The application must comply with the original MPD as well as the conditional use parameters under the current Land Management Code. Planner Cattan reviewed

the ten findings from the original Sweeney MPD that were included in the Staff report. Those findings will be referred to during the CUP review to make sure this proposal fits within the findings of the MPD.

Planner Cattan noted that the development parameters and conditions were also included in the Staff report and they address the obligations of the MPD in terms of the densities, height limit, access, utilities, roads, easements, and affordable housing.

Planner Cattan remarked that the Land Management Code reflects the Utah Legislature standards for writing up conditional use permits. The Planning Department will evaluate all proposed conditional uses and may recommend conditions of approval to preserve the character of the zone and to mitigate potential adverse effects of the conditional use. The conditional use shall be approved if reasonable conditions can be imposed to mitigate anticipated detrimental effects of the proposed use in accordance with applicable standards. If the reasonably anticipated detrimental effects of the proposed use cannot be substantially mitigated by the proposal or imposition of reasonable conditions to achieve compliance with applicable standards, the CUP may be denied. Planner Cattan remarked that the proposal must mitigate the fifteen criteria outlined in the Land Management Code before it can be approved.

Planner Cattan requested discussion this evening on 1) the setbacks of the original MPD and the conditional use; 2) affordable housing; and 3) the process moving forward. Planner Cattan stated that this conditional use has been in review since 2004 and was reviewed by the Staff and the Planning Commission from 2004 to 2006. The applicant has come back with revisions that were made in response to direction given during those reviews.

Planner Cattan pointed out inconsistencies in the 1985 Staff report from the MPD approval. One was a statement indicating that there are 100 foot plus setbacks from the road with buildings sited considerably further from the closest residence. In looking at that statement they need to remember that many of the homes that are now built were not existing at the time of the MPD. Planner Cattan noted that an exhibit from the MPD shows a zero foot height limit for the first 40 feet from back of pavement to the first above ground building. The original MPD also shows underground parking at 20 to 25 feet. Planner Cattan stated that the current design was based on an exhibit within the master planned development where there were zero maximum building heights for the first 40 feet and higher increments as the building steps back. The current plan complies with that exhibit, but it is inconsistent with the Staff report written at the time of the MPD. Planner Cattan requested that the Planning Commission address a number of inconsistencies that resulted from so many changes throughout the MPD process. She requested that the Planning Commission provide input for determining how to interpret the setbacks. The Staff interpretation from 2006 was that the design must meet the original intent of the MPD, which was to establish a sizable setback, landscape buffer and transition area between the edge of the street, the neighboring residence and the proposed vertical construction. Planner Cattan suggested utilizing the maximum building height from the exhibit and utilize the zero foot area as the front yard setback. Anything built in that area would have to comply with the Land Management Code for a setback area.

Planner Cattan reviewed the original master plan exhibit. She emphasized that a decision needed to be made this evening on how to apply the setbacks to clarify the inconsistency in the document.

Planner Cattan noted that the affordable housing proposal was attached to the Staff report. Under the square footage that was provided, the Staff conducted an analysis of the affordable housing and under the 99 Resolution, 22,775 square feet would be required. She noted that the requirements of the 99 Resolution are less strict than the current Code.

The proposal is for 4,000 net square feet on-site, dorm-style seasonal employee housing. The applicants are requesting the option to pay an in-lieu fee for the remaining affordable housing obligation. The applicant proposes to utilize the '07 Resolution, which requires 24,000 square feet of affordable housing. Therefore, the in-lieu fee would be approximately \$3.5 million. Planner Cattan noted that the analysis was based on the square footage as proposed. The support commercial was not included and that would affect the final number. At the time of approval, the Planning Commission will look at the square footages and the use of the building and redefine the exact numbers.

Planner Cattan stated that the Staff and the applicant were looking for direction as to whether the Planning Commission supports the level of on-site units and the in-lieu fee, and whether the Planning Commission is willing to consider an in-lieu fee subject to the application of the Housing Resolution '07. If not, if the Planning Commission would recommend an in-lieu payment for fewer unit equivalents than what is being requested by the applicant and under what conditions. Planner Cattan noted that the Planning Commission would forward a recommendation to the Housing Authority and the Housing Authority would make the final decision.

Chair Thomas noted that this item was scheduled for work session only and not for public hearing this evening. The Staff was asking the Planning Commission to make a decision without hearing public input. Chair Thomas was uncomfortable with that process.

Phyllis Robinson explained that this matter was slightly different from the normal process of due process for affordable housing. This could have gone directly to the Housing Authority without input from the Planning Commission, but because of potential impacts of the affordable housing on a large scale project, they preferred to bring it to the Planning Commission for work session discussion. That discussion would be included as part of the Staff report to the Housing Authority.

Chair Thomas pointed out that the Staff was also requesting input on setbacks and he felt that also required public input. Chair Thomas felt these items could be discussed this evening but the decision should be made during a regular session after a public hearing.

Planner Cattan stated that the discussion would be helpful and they could schedule this for a public hearing at the next meeting with possible action. The Commissioners concurred. Ms. Robinson pointed out that there would be opportunity for additional public hearing before the Housing Authority.

Planner Cattan explained the process. Because this is a large scale project and it was reviewed in 23 previous Planning Commission meetings, she preferred to start with the affordable housing component. The next step would be to address the conditional use criteria in an organized manner, beginning with traffic. Throughout the process the Planning Commission will have the opportunity to decide what element they would like to see next.

Chair Thomas noted that the Planning Commission last saw this project in April of 2006. He wanted to revisit that last discussion with regards to the project and the input given by the previous Planning Director and Commissioners who are no longer on the Planning Commission. He thought that input would be valuable and it would help update the newer Commissioners.

Commissioner Russack suggested that the Staff provide a synopsis of the previous input as opposed to reviewing the material verbatim. Commissioner Peek suggested that a copy of the minutes from the April meeting would be helpful.

Chair Thomas commented on the magnitude of this project and requested that the applicants keep their presentation to the elements the Planning Commission was asked to address this evening.

Planner Cattan reviewed the requests the Planning Commission made to the applicant in April 2006, as outlined in the Staff report. These included 1) site plan and grading details; 2) open space calculations; 3) building setbacks for all structures; 4) building height compliance with approve building volumetrics; 5) residential unit size and configuration so as to verify the density and parking compliance; 6) architectural details illustrating size, form, mass, roof shapes and exterior details; 7) project streetscape detailing the design of the project entrances, retaining walls, landscape areas and pedestrian ways; 8) preliminary landscape plan; 9) ski lift and funicular design.

Chair Thomas reiterated an earlier request to have the minutes of the April 2006 meeting. Commissioner Wintzer suggested that the Staff try to keep the comments from previous years in context with a particular element being discussed at the time. This would help them focus on one aspect at a time rather than try to remember everything over several meetings.

Pat Sweeney, representing the applicant, introduced David Eldredge, the project architect and Jim Laroche, who is responsible for keeping the Treasure Hill website updated.

Mr. Sweeney noted that the history of this project goes back a long time. He presented a slide showing a general big picture of what they have been doing and what they are trying to accomplish.

He reiterated that the decision was made to go with open space and tall buildings. A key concept is that the buildings were sunk into the Creole Gulch location. Mr. Sweeney reviewed the drawings and documents that are posted on the Treasure Hill website.

Mr. Sweeney stated that his father acquired the property rights in 1977 and there were two versions of the plan that came off of Lowell/Empire and were clustered developments, classic vintage 1970's condominiums. He noted that those two plans struggled through the process and went nowhere. Following that they were approached by people from Chicago who had a plan to put a road up over the hill and put everything on top. That plan also struggled. Another plan was to base the funicular on Lowell/Empire and access 500 UE's. At that time, they also had the rights to the King Road Estate Lot, which is a 74 acre parcel that ended up with a large single family home.

Mr. Sweeney stated that when he approached the Planning Staff in 1984 he had a simple plan and he only wanted permitted use. Permitted use was the plan that Planner Cattan showed at the beginning. It would basically be a road from Lowell/ Empire to Upper Norfolk and a road up and over the hill. Mr. Sweeney noted that the UE's were calculated and the number was close to 200

UE's. When that proposal was presented to the Staff they were asked to look at all other alternatives. They agreed to do that and the Planning Commission and City Council were behind that concept.

Mr. Sweeney stated that initially they were willing to do a clustered development in Creole Gulch and a road from Lowell/Empire to Upper Norfolk. They looked at all the possibilities and ultimately settled on high rises in the Creole Gulch and Mid-station areas with smaller units around them. The decision to use that plan was made in 1986. The density amount was about half of the underlying density and they felt that was fair and could be reasonably achieved. He remarked that the City Council had set the parameters and they were asked to make their development fit within those parameters. They have spent the last six years proving that they are inside those parameters.

Mr. Sweeney stated that they spent the last two years addressing the nine items requested by the Planning Commission in 2006 that were outlined by Planner Cattan. It was a lot of work but he believes they addressed those items. In addition, they went back to the fifteen criteria of the CUP. Mr. Sweeney noted that all the current drawings reference the conditions in the Code that they feel were addressed.

Mr. Sweeney pointed out that the northwest edge of the project was clearly articulated, some of the mass was taken out, and the streetscape was completely redone. This was in response to previous direction given in terms of design.

Mr. Sweeney reviewed a computer model that was based on aerial surveys and field surveys.

Regarding the three items for discussion requested by the Staff this evening, Mr. Sweeney reviewed drawings on the website and indicated the zero building height zone. He noted that necessary retaining walls were added to accommodate the access to various parts of the project, but everything else was ground zero with landscape. He believed this addressed the setback issue. He noted that the drawing was generated 35 years ago and it was the basis of all the drawings for the master plan in the 1980's.

With respect to the setbacks, Mr. Sweeney presented another drawing that he felt was pertinent. It was an expression of the 100 foot setback from existing buildings at the time of MPD approval. He noted that development remained behind that line.

Mr. Sweeney stated that the previous Staff report was an interpretation of the entire process and this exhibit. He believed the absence in the Staff report was that there would be separation. Mr. Sweeney noted that a number of separation drawings were detailed.

Mr. Sweeney commented on the technicalities involved with the affording housing component. He remarked that they believe in employee housing and intend to do whatever is necessary to meet the requirements of the current Code. They are not interested in building employee housing elsewhere and prefer to pay the in-lieu fee. Mr. Sweeney explained why it makes sense to put some employee housing on the project and why it would not negatively impact the project plan. The employee housing would net somewhere between 400-550 square feet of employee living space. Mr. Sweeney pointed out that the exact amount would be determined by the final design. There is room in the project for employee housing and the question is whether the Housing Authority wants it there

or if it breaks the master plan. Mr. Sweeney provided a different view of the project showing where the employee housing would be located. He stated that it would provide daylight, access and a limited amount of parking and it would be a great place for an employee to live in Park City.

Mr. Sweeney provided a brief background on the traffic issue. He noted that years ago, his predecessor participated in a special improvement district to pay for Lowell Avenue, with the intent of accessing this property. The connection from Lowell/Empire was never condemned at that time and part of the master plan consideration was to deed that back to the City after the MPD approval.

Mr. Sweeney noted that his family helped make that road possible and it has always been the staging area or access to this property. He pointed out that alternative options to connect Lowell/Empire to King Road were frowned upon and never occurred.

Mr. Sweeney noted that all the traffic studies were posted on their website, along with all the associated reports and graphs. He noted that both the independent study and their study indicated that in general the traffic service to that part of town is Level A or B and it would remain at that level.

This project would have little impact on the capacity of those roads. Mr. Sweeney noted that the results of the traffic study are predicated on the road being plowed and everyone in Park City knows that there are times when that does not happen anywhere in town.

Mr. Sweeney stated that another issue that became apparent is a potential conflict with pedestrians walking on the roads. As a solution, they propose to build a sidewalk on the upside of Lowell/Empire. There is adequate right-of-way for a sidewalk and two travel lanes and one parking lane on the downhill side. Mr. Sweeney noted that the former City Engineer was not convinced that was the right approach and they have not heard an opinion from the current City Engineer. This involves more people beyond the developer but they believe it is the right thing to do. Mr. Sweeney commented on timing and felt the sidewalk should be in place and the road rebuilt before construction trucks start using that road. He also encouraged a pro-active plowing plan.

Planner Cattan reiterated her request for discussion on affordable housing, setbacks and process. She was willing to postpone the setbacks discussion until they schedule a public hearing.

Commissioner Strachan stated that he and Commissioner Pettit were never given a complete MPD document and he did not think it was available on the website. Mr. Sweeney stated that at the time of the MPD approval, there was only a Staff report and the exhibits, and those are all on the website under History. Planner Cattan noted that there are two large folders of MPD documents that reflect everything that was done throughout the process. The actual document is the Staff report and the exhibits.

Commissioner Wintzer noted that several of the documents reference other documents and he wondered where they could find those referenced documents. Mr. Sweeney replied that some of the documents are 40 or 50 pages and involve several different versions. He was willing to put those documents on the website if the Planning Commission wanted.

Mr. Sweeney explained that after the 1987 amendment, which took away three houses and brought the ski run down to Woodside, they went back and updated all the drawings at the request of Nora Seltenrich. He presented the drawings posted on the website and noted that those drawings are

the essence of the approval.

Commissioner Wintzer stated that the Planning Commission could not go through documents on a website. They need to have an actual report from the Staff and documents in a book that can be reviewed and referenced. Planner Cattan stated that she had worked off the Staff report and offered to provide a full copy of all the exhibits to the MPD for each Commissioner. Commissioner Wintzer felt that would be adequate. The Commissioners concurred. Chair Thomas wanted MPD drawings from the approval and not interpreted drawings after that date.

The Commissioners discussed employee housing. Recognizing that the decisions for affordable housing are made by the Housing Authority and not the Planning Commission, Commissioner Pettit preferred to have all the affordable housing on-site. However, she understood the discussion in the Staff report with regards to how adding all of the affordable housing would impact the mass and scale and size of the project. Commissioner Pettit pointed out that there is nothing that shows what the impacts would be if all the affordable housing was placed on site. She stated that they struggle in town to find sites to locate affordable housing units and yet this land is already in town and within walking distance of Main Street and access to public transportation. Commissioner Pettit felt this was the ideal location and she would like to see the bulk of affordable housing on site.

Commissioner Murphy reiterated Commissioner Pettit's position for putting the affordable housing on-site. Commissioner Murphy did not support an in-lieu fee. He felt this was the perfect site for affordable housing and the perfect application for it, particularly in terms of a hotel use. Commissioner Murphy stated that it is imperative that all the affordable housing be on-site and that they find room for it without unduly impacting the surrounding neighborhoods.

Commissioner Wintzer agreed. He noted that every time they deal with employee housing at the Planning Commission level it has always been an argument and they never get it where people want it. If the City has the money but no place to put it, they do not have employee housing.

Commissioner Russack agreed that all the affordable housing needs to be part of the project; however he was concerned about the impacts on the mass and scale.

Commissioner Peek agreed with his fellow Commissioners that putting all the affordable housing on-site was best, understanding that there would be impacts.

Commissioner Russack recalled an earlier comment from Mr. Sweeney that there was plenty of volume to put affordable housing into this project. Mr. Sweeney stated that if they go back and put mass on the northwest edge and other places, they would be below the height envelope. However, there are important issues to consider. One is that it flies in the face of their efforts to drop that edge to a more neighborhood scale. A second issue is whether it is legally allowed under the master plan or if the obligation is to put the affordable housing off-site because the master plan is already limited to certain unit equivalents. He had not received a firm answer from the Legal Staff and it is important to know that before they move forward. A third question is whether the employee housing would be for this project or for all of Old Town. Mr. Sweeney reiterated that the first step is to get a legal opinion as to whether this could even be done. If it is legal, a separate question

would be cost and trade-offs.

Chair Thomas stated that the affordable housing component of a project is part of the community and they need to stop treating it like an ugly stepchild and pushing it out of town. Chair Thomas favored a solution for keeping all the affordable housing on site.

Chair Thomas referred to a letter from former Planning Director, Patrick Putt, in 2006, as well as a comparative analysis of Mr. Putt's interpretation, that was included in the Staff report. He wanted to know who had prepared the interpretation. Ms. Robinson stated that she had prepared the interpretation and the table, which was part of the housing proposal. Ms. Robinson explained that when a proposal comes in that triggers an affordable housing requirement, it is vested under the ordinance in effect at the time of the application. In this case, it would have been Housing Resolution 17-99. She noted that Resolution 17-99 still has specific requirements in terms of how to calculate the affordable housing obligation of that project. Recognizing that times have changed significantly from 1999 to 2007, the applicant has expressed a willingness to be bound by the 2007 ordinance as opposed to Housing Resolution 17-99. Ms. Robinson stated that this is particularly significant in regard to any potential in-lieu fee because the in-lieu fee in the 17-99 Resolution had not been updated until 2006. The in-lieu fee changed from \$59,000 to approximately \$160,000 per unit. As part of the concession for requesting an in-lieu fee, the applicant has offered to pay the 2007 fee. Ms. Robinson pointed out that another difference is that the affordable unit equivalent is 900 square foot as the base under the current resolution as opposed to 800 square feet. Even though more square footage is required under the 2007 Resolution, the number of affordable unit equivalents square footage would be divided by 900. The 2007 Resolution does not require fewer units, it only requires that they be larger.

Commissioner Strachan asked if the square footage of affordable housing is greater under the 99 ordinance. Ms. Robinson replied that it is greater under the 2007 ordinance. With the exception of dorm style housing, it is the actual indoor wall to wall measure of the unit. The dorm space is 150 net square feet livable per person.

Chair Thomas clarified that there was not much difference between the two tables. Ms. Robinson agreed and noted that the most significant difference was the in-lieu obligation between the two resolutions.

Commissioner Strachan echoed the other Commissioners. He believed there could be more affordable housing on site without increasing the bulk and mass. Chair Thomas agreed. He was not convinced it would have to impact the bulk and mass.

Ms. Robinson noted that the City Attorney had sent a text message with his response regarding the legal ability to provide affordable units on site without affecting the base number of allocated UE's. According to his text message, it is permissible that affordable units are not counted towards the base density. Ms. Robinson offered to obtain an official opinion from the City Attorney.

Planner Cattan stated that she would relay the comments from the Planning Commission to the Housing Authority.

Planner Cattan noted that another topic for discussion is whether to move forward with the conditional use permit and the process. She requested that the Planning Commission discuss traffic as the first item. She noted that traffic was the primary concern expressed by the public and the Planning Commission during those first meetings.

Chair Thomas requested a site visit and a walking tour of Lowell Avenue and he preferred that it be on a heavy snow day.

Mr. Sweeney stated that if the Planning Commission would like to spend an hour or two reviewing all the materials, he would be happy to give them a CD of all the materials. Planner Cattan stated that she would provide the Planning Commission with the traffic studies and she had created a disk with all the past information. Any communication would have to occur in a public forum.

Commissioner Wintzer felt it would be helpful to have a CD of all the information on the Treasure Hill website and have Mr. Sweeney attend a work session to explain how to use it.

Commissioner Pettit believed the engineering and excavating for the parking being proposed is inter-related to traffic issues and she suggested that those be discussed together. She thought the parking issue also ties in with mass and scale and size of the project. Commissioner Pettit noted that this project has not tried to be creative in minimizing the use of the car. The parking exceeds what the MPD requires and she felt there could be creative solutions that would mitigate the traffic impacts if the number of cars to and from the project could be reduced.

Chair Thomas commented on the number of visual aids, photographs and testimony that was submitted to the previous Planning Commission in the earlier application. He thought it was important for the current Planning Commission to review that material.

Commissioner Pettit stated that the minutes never give the full flavor of people's comments and the experiences they share that could be relevant on the traffic issue. She wanted to make sure that they allow and encourage public comment so the Planning Commission can hear full comments rather than a synopsis from the minutes. Chair Thomas agreed. They are looking at a project that will have a staggering impact on the community and they should shake the community and get people interested.

Commissioner Wintzer referred to what was called Big Picture 01 and asked someone to identify the dotted lines. He was not interested in hearing an explanation this evening but suggested a colored drawing that spells out what the different lines mean.

Planner Cattan clarified that setback issues would be postponed to the next meeting. Commissioner Murphy asked for a brief explanation of the setback inconsistencies. Planner Cattan stated that the inconsistencies are between the exhibits at the time of the master planned development versus the Staff report. She noted that Mr. Sweeney had shed light this evening when he indicated the portion where Lowell becomes Empire that used to be part of the Sweeney project. Taking into consideration that the lot line needs to be further away from the property, those numbers may work. She remarked that there may have been 100 feet between the previous lot line

before it was dedicated to the City for the turnaround between Lowell and Empire. She noted that the Staff report referred to 100 feet plus setbacks, but the exhibits of the MPD showed that it was clearly not 100 feet. She would need to look at that again after hearing Mr. Sweeney's explanation this evening.

Commissioner Pettit pointed out that a conceptual plan was submitted during the MPD stage and the CUP level is when they look at the impacts of the project and the proposed mitigation. She wanted to know if anything prevented them from looking at certain conditions that might include increasing the setbacks to create more of a buffer and space between the neighbors.

Planner Cattan stated that if the conditional use as proposed is not mitigating the impacts of the actual use, the Planning Commission can increase the setbacks as a way to mitigate the impacts. In terms of setbacks, Planner Cattan noted that they typically go off the zone setbacks. At the time of the MPD approval, a lot of the exhibits were just trying to figure out volumetrics and what would work in terms of height from existing grade. They put certain conditions on certain height and the Sweeney's worked with their architect to make sure they could make the volumetrics work in terms of units. It was always the understanding that the architecture was not final and it would change. One of the findings within the MPD is that the architecture must be compatible with the historic district. With all the projects within this MPD, the architecture is changed at the time of CUP review. Planner Cattan clarified that the exhibits for buildings is not what has to be built for this MPD.

Mr. Sweeney stated that there are a number of ways to demonstrate setbacks and separation and he was willing to present those to the Planning Commission at a later date.

Chair Thomas requested blown up copies of the schematic elevations and grade. He also requested that the building cross sections be changed to existing natural grade. He wanted larger versions of each one instead of four on one sheet. Mr. Sweeney stated that he would meet with Planner Cattan to see which drawings she wants to include in the package. He would then make copies and prepare full scale sets.

Chair Thomas referred to the small scale section. He assumed that the drawing was done to some kind of scale but the scale was not represented. Mr. Sweeney stated that the drawings were very accurate and there was scales. He pointed out they have not yet physically nailed down all the details of the houses outside of the Sweeney property. The information was taken from aerials. Chair Thomas stated that throughout the process he would try to give Mr. Sweeney advanced notice on what the Planning Commission would need to see at future meetings.

Chair Thomas and the Commissioners pointed out exhibits and drawings that they felt needed to be better clarified.

Planner Cattan stated that this item would be scheduled for discussion and public hearing the first meeting in February. Chair Thomas commented on the importance of this project and he requested that the agenda allocate a substantial amount of time for public input. He requested that this be scheduled as one of the first items on the agenda. Commissioner Wintzer expressed his desire for a one item meeting to give ample time for discussion and public input. Chair Thomas suggested that they schedule this item for the next meeting on the regular agenda and see how that goes before talking about a special meeting.

Planner Cattan summarized that Treasure Hill will be scheduled for a public hearing on the February 11th agenda and traffic would be the main topic for discussion. A request was made to hold the meeting in the auditorium to accommodate more people. Planner Cattan would check to see if the auditorium is available that evening.