

**SANTA CLARA CITY COUNCIL WORK MEETING
WEDNESDAY, MAY 3, 2017
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, May 3, 2017 at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah.

Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting.

Present: Mayor Rick Rosenberg
Council Members: Jerry Amundsen, Ken Sizemore, Mary Jo (Tode) Hafen, Herb Basso and Jarett Waite
City Manager: Edward Dickie
Secretary: Gina Wathen

Others Present: Brock Jacobsen, Assistant City Manager; Jack Taylor, Public Works Director; Brad Hays, Parks & Trails Director; Corey Bundy, Building Official; Bob Nicholson, City Planner; Dan Nelson, Fire Chief; Rex Oliver; Planning Commission Members: Don Graf, Marv Wilson, Jana Miller, Todd Jacobson, Bruce Anderson, James Call, Curtis Jensen, John Grant; Cindy Frei; Keith Gubler; Ferron Leavitt; Aron Baker; James Call; John R. Smith; Larry Ogden; Phillip Gubler; Cooper Tobler; Z. Guerisoli; Lucas Labrum; Christian Sumner; Max Torres; Wendy Basso; Crystal Hegemann; Wendell Gubler; B.R. Wilson

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:08 p.m.

2. **Working Agenda:**

A. General Business:

1. Combined Meeting with Planning Commission to discuss Short Term Rentals

- Mayor Rosenberg stated that in Planning Commission's last meeting they asked for the opportunity to discuss with the City Council having short-term rentals throughout the City. He said that Council decided to put this on the City Council Work Meeting Agenda to have an open discussion on it. This will give Council the opportunity to provide feedback to the Planning Commission that the Commission feels is necessary to do their job. He said they would also like to have a little bit of feedback from the audience. He asked the audience to raise their hands and he would try to get to them in the order that they appear. He asked for decorum to be maintained. He reminded the audience that there will not be any action tonight. This is a Work Meeting. This is just an open discussion. Staff has put together a handout.

- Bob Nicholson, City Planner, talked about the handout on short-term rentals or vacation rentals. The units are rented for 29 days or less. The Santa Clara Zoning

Ordinance limits vacation rentals to two residential zones: the Planned Development Residential District and the Historic District Mixed Use Zone. Those are the only two zones that accommodate them. In both zones it is listed as Conditional Use. The main requirement for a vacation rental are having a local property management company to manage the units, additional off-street parking spaces required, and recreation facilities consistent with the size of the project or as may be recommended by the Planning Commission. He said that the recreational amenities issue is a little loose and they have talked about having a base requirement but that is still in discussion. He said that in the Historic District Mixed Use Zone there is no requirement for recreational amenities. That only applies in the PDR zone right now. He talked about the pros of vacation rentals: the vacation rentals offer additional tourist accommodation facilities and can help to bring vitality in the way of new customer for local merchants. Also vacation rentals are required under State law to pay a transient room tax, the same as hotel and motel pay. That revenue goes to the County but some of that can and usually does make it's way back to the local community.

- Herb Basso stated that it also adds sales tax to the local community.

- Ed Dickie, City Manager, said they also pay the higher rate for property tax.

- Bob Nicholson said that the main argument against vacation rentals in residential zones is that they detract from the traditional neighborhood environment. It is difficult to get to know your neighbor when the occupants change on a nightly or weekly basis. Vacation rentals may also be a party house with excessive noise. The effort to restrict vacation rentals is usually based on a desire to protect the character or a traditional residential neighborhood. He said that in the Planning Commission discussion some of the issues that have come up are if the supply of vacation rentals exceeds the demand, what happens to the vacation rental units. He said that in the case of Santa Clara, the units would become occupied by permanent residents or by renters similar to homes in other subdivisions with a mix of both. The way they are zoned, if they're not used for vacation rental, then they are just going to be permanent residences or rentals. He said the other question is should there be a minimum project size or a minimum level of recreational facilities for each project. Historic District might be an area where smaller vacation rental development could fit in to the fabric of the district. Single-family homes or twin homes scattered throughout the Historic District with or without specific recreational facilities could add new vitality to the district. Outside the Historic District a minimum project size and/or a minimum level of recreational facilities could limit the number of vacation rental project in the City. The Planning Commission has discussed the concept of using a level of recreational amenities in Paradise Village at Zion and in Ocotillo Springs as kind of a base or an equivalent amenities package as the base level for recreational facilities in new vacation rental requests. He said that there has been no decision on that issue.

- Mayor Rosenberg said that the City went through a process when Paradise Village at Zion started to provide an avenue for vacation rentals/short-term rental type units to happen within a planned development zone as long as it's started that way from the first day. They had to achieve their zoning and their use prior to being plated, prior to anyone taking ownership and the entire project was that way. He said this provided a place where people could go and it was to help keep them out of the existing single-family residential subdivisions throughout the City. He said the City has some problems with people who buy homes and then use them as short-term rentals. These

can be a big problem and have a negative impact. He talked about how Paradise Village has been a very successful project for the developer and it hasn't been to much of a negative impact for that area of the City. He talked about more phases being approved and other projects that have been approved. He also talked about projects in the South Hills. He said that with recreational uses in the South Hills that this is maybe a place where this could happen. He talked about how the Legislature has taken enforcement abilities away from the cities regarding vacation rentals by owners. There has been a movement that has a champion in the Legislature that that is an infringement of your property rights for a city to tell you if you can rent a room or not and for how long you can rent it.

- Ed Dickie said that this will come up again next year in the Legislature and eventually it's going to pass that these rentals can go anywhere they want. It can be your neighbor. It ties the City's hands. He said that he gets calls from other cities asking how Santa Clara has done their zoning and how the City regulates and does short-term rentals. He said that Santa Clara is one of the leaders as far as doing it right. He said that we do one of the better jobs in the State. It's coming down to: are we going to allow more and what's going to happen to them if the economy goes bad. One of the nice things that the Mayor spoke about is that these are single-family homes that people can live in permanently or that can be rented if that becomes the case. He said the he lives up by Paradise Village. He said he has heard resident's who are concerned about traffic with short-term rentals and he said he knows that traffic is a lot less with the short-term rental. Paradise Village has hardly any traffic during the week. He said he would bet with single-family homes there would be more traffic even on the busy weekends when the short-term rentals are full because of all the normal vehicles and normal trips that could be with each home. You will see less cars with short-term rentals.

- Mayor Rosenberg talked about the enforcement mechanisms that St. George was using against the short-term rentals. He said that they can't use that mechanism anymore because of the recent Legislative vote which says that now cities can't write a code infraction based on a renter having an add on the internet advertising their home as a short-term rental. That was how St. George was finding them and writing the code infractions. He said that the Council suggested a minimum amenity level within the PD and that is critical. He said if this could be defined and it's measurable and not arbitrary or capricious, the economics that puts on a unit can determine whether or not a person can ask for that type of a use.

- Planning Commission Member talks about short-term rentals and he said that if they were to color code everything north of Pioneer Parkway he said it's pretty obvious. Everybody wants it to be short-term rentals. He said his question is: Is that what we want for Santa Clara. Do we want to turn that whole north end into short-term rentals? He said he understands that eventually everything is going to turn into short-term rentals.

- Ed Dickie said that what he was saying is that the City's ability to regulate them will go away.

- PC Member said so do we just dive into and turn this whole thing into vacation rental by owner and see what happens. Is that the best option?

- Herb Basso said that we are trying to develop some kind of method and direction. What is it that we want?

- PC Member said he doesn't know what we want. He said he feels a little nervous about turning the whole thing into short-term rentals. Is that what the citizens want? That's a question we need to find out. He said he didn't even want Harmons because it blocks his view of the mountain. He said he is pretty old school. He said he doesn't think people realize that whole space is being turned into that.

- Herb Basso said that question was raised of how it can be limited if that's what we want. Do we want to limit it or not limit it? He hopes it isn't just based on size. He feels there is room for some smaller vacation rental projects. There's need to preserve some residential but there's also commercial. He said he would much rather live next to a vacation rental than commercial. He likes the cleanness of the vacation rental industry.

- Mayor Rosenberg said we need to go back to what does it take to run a City. What if this entire City didn't have commercial? If there wasn't some of the tax revenue that short-term rental can bring. Are we prepared to pay the increase in cost of services, especially as an area becomes older? If we want to raise property taxes to help compensate services or raise our rates even higher and we are already among the area even higher rates in the County as far as utilities and those types of things, if we are willing to go that way then maybe we don't have to worry about any of those other sources of revenue. But the call was to try and get some more commercial help out with that tax base. The short-term rental can be that way. He said that he isn't for or against but it does bring in additional revenue to the City to help pay for those cost of services. He said a bed and breakfast has recently been approved that will function like a short-term rental. He said they have talked about more of that type of use in the valley. He said they haven't done a single-family building permit in the valley for a long time. He stated that not all the area north of Harmons has gone vacation rental. He said that a single-family subdivision and a multi-family subdivision are up there that are fairly new that are not short-term rental. He said the market right now is leaning to short-term rentals because there is a lot of second home buyers on the Wasatch Front that would like to have a vacation home in St. George and that's a beautiful area up there. He asked if any of the permanent residents in Paradise Village.

- Ed Dickie said there is 1 and maybe 2.

- Mayor Rosenberg talked about how developers are going wanting to build both types of developments both single-family developments but also vacation rentals.

- PC Member said that the biggest nightmare for the vacation rental is making sure the property owner is collecting and paying the tax.

- Herb Basso said that it's not too much of enforcement for the City except for the business license. The tax is collected by the State and they manage it.

- Ed Dickie said that the CC&R's for Paradise Village are pretty strong that they need to have a management company and that they need to be licensed. He said that when they talk to others who want to become short-term rentals, they make sure they get with Paradise Village to see how they have written their CC&R's. He said that one of the buffers are these nice vacation rental places because people are going to want to rent there instead of someone's home in a neighborhood.

- Herb Basso said they also rebound better than a lot of retail and manufactured. He talked about limits and asked about what the limits are on building these.

- PC Member said that what they see on the Planning Commission is people show up that want to have a conditional use permit to have short-term rentals. Their property

would need some approval to get these things done. He said that the Planning Commission needs to have some guidance. He said if anyone shows up for short-term rentals are we going to say yes to everybody? Is there going to be a certain amount of them? How are we going to handle that?

- Jarett Waite said that because of PD zones they get a low-density bonus so those neighborhoods are built differently then we would normally build a neighborhood and there's also an incentive to build a big home but it's on a small lot. So we say that would end up as a rental or someone would live there but the value proposition is lost when the rental isn't a part of it. He said that someone may want to live in a house that big but they would want it to be on a bigger lot. He said that one of his concerns is the density that goes along with that that might not match other neighborhoods around it.

- Herb Basso said that it's not too far off of being acceptable percentage wise.

- PC Member said that when he looks at some of those properties over there behind Lava Ridge, they are huge houses and the lots are tiny. (Paradise Village).

- Mayor Rosenberg said that Paradise Village is a PD and so the lot is basically the outer walls of the home with common area amenities. With that comes an HOA fee. That is another way they kind of control themselves who goes in there. The typical single-family subdivision doesn't pay an HOA fee. He said he would like to see a measurable amenities requirement so the Planning Commission could use that to say yes or no to a developer as to whether or not they met those requirements.

- PC Member said he thinks that everyone would meet those requirements if they are asked.

- Mayor Rosenberg said he doesn't think they will. He said that if the amenities requirements are as significant as Paradise Village, they won't all do that. They can't do it. They can't afford it.

- Jarett Waite said that there's enough land up there that there will be a lot. They'll fill in.

- PC Member said that there is enough land up there that there will still be 2 or 3 more of these and we need to know how many more.

- Mayor Rosenberg said that you have to look at what's left up there because right now there is the Gubler's 20 acre piece, a 10 acre piece that the school district owns which is planned for a future elementary, Ence's have 20 acres, the Maniloa piece which is 25-30 acres and the Beasley property which is a couple of hundred acres but the General Plan has limitations on what they can do there, pretty strict very low density stuff on the lava as part of the General Plan and the PD zone that is currently in place. He said that there is not a bunch of property left up there. He said that if the Planning Commission will probably see some more projects come in for these areas but if they had a list of what they needed to do in order to build they would probably make sure the projects are what we've come to expect, quality projects and still provide the opportunity for them to do the single family projects if the market will support that.

- PC Member James Call talked about that project that came before Planning Commission for the South Hills that the builders from Entrada want to build. He said that would be another question. Are we going to continue to roll those out?

- Mayor Rosenberg said that is part of the reason why we are here. He said that Council tabled that decision last week until July to allow this process to happen and also the process of the Citizens Advisory Group to talk about the development in the South Hills on the BLM portion has to come to Planning Commission and possibly

General Plan Amendment has to come out of that and there's some discussion that needs to be had on what we want to see out in the South Hills. The Citizens Group looked at that and there's some areas out there that they want to keep lower density. Back in the South Hills higher density can happen. He said this information is going to come to Planning Commission from the Citizens Group so the Planning Commission will get some input from them and it is anticipated that Planning Commission will have an open house where they can take public comments from others that would give them some feedback as to what should happen out there in that area. He said that the economics to develop out there is really expensive so he could see some resort activity happening that could generate some bigger revenues that could pay for the cost of development. He said just doing single-family lots costs a lot. He said nobody is going to be able to afford doing just that. He said we need to address whether or not we want any of that in the downtown area too. He talked about the bed and breakfast. Do we want to pursue that further? He said they have been asked about a little hotel.

- Herb Basso said there is some property downtown that has the ability to do that.
- Mayor Rosenberg said that the Economic Development people are trying to pursue economic development, job creation and other things within the City. They've got ideas of things they would like to see within the City from an economic standpoint. We've got members of the Heritage Committee that are charged with preserving the heritage of the community and we need to hear from everybody and what is everyone's vision.
- HC Member, John Grant, said that he personally doesn't think that vacation rentals threaten the heritage of Santa Clara in the Historic District. It may be an issue for the neighbors but we want to turn downtown into more of a walking district anyway. Having vacation rentals encourages that more.
- Herb Basso said it brings vitality and new life.
- HC Member said they are working with the heritage area and they want to be very careful with that area and they are on top of it.
- PC Member said it sounds like the Heritage Commission would be fine with them approving short-term rentals in the valley.
- Mayor Rosenberg said that a member of the Heritage Commission said that.
- HC Member, Bruce, said he is not for short-term rentals downtown. He said they have outlined the Historic District and there are vacant lots in that area. He's not sure what's best for it. He said he isn't familiar with short-term rentals and what they bring.
- Curtis Jensen said that short-term rentals mean more money because travellers come and they are the ones that are going to spend more money. If you have commercial areas from an economic standpoint it only makes sense to have short-term rentals.
- Jarett Waite said that they talked about that with Harmons that once those short-term rentals sell out that would be great for them for that exact reason.
- Dennis F. said that we are trying to create a walking district for businesses but if you put all short-term rentals in there are no businesses to walk to.
- Mayor Rosenberg said that we do want to create the commercial aspect of it in the downtown as well. If we are going to bring people out, we want them to have places to spend their money. We have to have businesses for them to spend their money.
- Wendy Basso said there needs to be a mix of commercial and places to stay. It's hard to get people to invest in Santa Clara. She talked about how we all need to help each other and open up our minds and entice people to come here.

- Herb Basso said at the restaurant people are always asking if there is a place to stay. He said that it could add vitality and dollars but what is the limit. He said we need one but what is it. What is the percentage? We should be able to address some kind of criteria list put it at that concern. Let's talk mathematically.
- HC Member said that there are too many different property owners to turn the downtown into all vacation rentals. That would be too complicated to make that happen.
- Mayor Rosenberg said that if there had to be a specific amenity to have one there probably wouldn't be very many of them at all especially on a small lot.
- Rex Oliver said that what will determine the density is the demand. He said the EDC has put forth an agenda based upon a couple of observations. So many people come to visit on a short-term basis and as he talks to them they tell him they would like to move to Santa Clara and they do. He said what they see is there is not enough supply of services, restaurants, places for people to spend their money. We need to generate an ability to collect funds to help increase the revenue in the City, to increase jobs, opportunities and growth. He said he doesn't see that happening in the structure that we currently have as far as the availability of commercial property. Until we get a density of people businesses are not going to want to set up. How do we make that happen? He said they have made recommendations to increase the publicity of what the City has to offer in the way of natural resources. We should be taking advantage of Tuacahn. We should be taking advantage of petroglyphs, bike trails, shooting range. We have a lot of natural resources. People are going to come but they are going to come first and foremost to short-term rentals. He said he doesn't see putting a particular number or a cap on it. It is going to be supply and demand. We have to have availability of properties to build if the demand is there. When the area out by Paradise Village is filled up and you don't want it downtown the South Hills is literally the only other place we have to go at this point and that is another discussion that the EDC has made with the City Council is developing out south of town. He said the EDC has made a recommendation to the City Council to annex for 50 or 100-year future development to annex Santa Clara clear to the Arizona border, everything west of the St. George City limits. He said they understand that there are concerns that it is a financial obligation in the future but there are ways we can do it that make sense and if we do it it's going to relieve a lot of issues such as the high cost of development in the South Hills because of the geographical issues out there. The further south we can go the less cost it will be to develop out there because you don't have the rock, the clay or the other issues that the South Hills have. He said they will be having another meeting soon.
- Aron Baker said that from a real estate perspective that if you don't have a highway going through your town you don't have a lot of options. There is not a lot of commercial land available. He said that Hurricane set a limit on the number of nightly rentals they had in the city. He said that if you set the limit and the criteria and figure out how you want to handle it then you watch and see what the market does. With the limited land here that's commercial it's going to be a real tough balance.
- Mayor Rosenberg mentioned that in the Historical District they can ask for mixed use zoning. He said that there are only 5 properties that have done so so far.
- Phillip Gubler said that he doesn't think people will want to move to Santa Clara if you make it into short-term rentals. He said that one of the residents in Paradise

Village already moved because they didn't want to be around it. That is an issue you are going to run in to. You are going to drive the residents out in the valley because they don't want to be living next to them either. Those are things to consider. He talked about the high HOA fees and people not being able to afford the rent or being able to buy in those places and it's going to cause problems later on. He talked about the big buffers around Paradise Village such as Harmons and the school. He said you don't have those down in the valley. He said he hopes the Council will listen to the community and to what the Citizens Advisory Committee is saying as well and not allow high density, short-term rentals down in the valley area. Those should be pushed back out of sight over the hills.

- PC Member asked for a follow up on Mr. Gubler's comments. He asked if he was saying he was okay with short-term rentals on the Heights just not in the valley or the South Hills.

- Phillip Gubler said he thinks there are areas on the Heights where they are a lot more appropriate because there is a lot bigger buffer zones. He said there could also be bigger buffer zones in the South Hills, over the hill and back in a little bit. What draws people to the valley is the way it is right now.

- PC Member said that if we're applying one standard to the valley and a different standard to the people who have single-family homes on Jacob Lane and Pioneer, it's okay for them to have short-term rentals in their backyard but not okay for the people in the valley to have them.

- Phillip Gubler said he thinks there should be buffer zones. He doesn't think the short-term rentals should go right next to a residential community. Look at the Ordinance. If a subdivision wants to start doing short-term rentals you have to get 100% approval by all residents. He talked about lowering the impact fees.

- Mayor Rosenberg said we can lower impact fees but then we will have to raise property taxes. He said the impact fees are based on the cost of infrastructure for the projected growth so if they aren't collected we have to pay for that somewhere else.

- PC Member said that residential rentals are the ones that pose a lot of problems. Many of the yards are not maintained. Sometimes there are more than one family living in the home. We have had a problem with residential rentals that seems to be more of a concern and a blight than what we have seen with short-term rentals that have defined amenity packages, dues that have to be of standard. He said he has concerns if we are going to be talking about imposing quotas or things like that. He is a believer in the market. He thinks that if you start to say we're going to have minimum requirements, you have amenities rich residential, then it's going to be a destination then you start asking for additional problems because then it becomes a destination spot for people to come whereas Santa Clara is kind of a bedroom community. He said that what the Planning Commission would like to see is before a developer or a contractor goes to the expense and everything and comes before them to be turned down, he would like to see the Staff be a little more active and have guidelines and control to say that these are going to be the requirements so that that first buffeting takes place before it even comes on the agenda to the Planning Commission or in turn for a hearing. We can establish the guidelines and Staff can help those developers know that this has to be a minimum if they are going to get the consideration of the Planning Commission.

- Herb Basso said it is possible to have vacation rentals in the Historic District /Mix

use zone. It can happen now. The restriction is the zone.

- PC Member, Todd, said that what he keeps going back to is downtown and it seems it is almost on the verge of dying. He doesn't want to see it die. There isn't anything to draw people downtown. He made the motion to approve the short-term rental in the South Hills because he sees it revitalizing downtown, bringing people in and hopefully other businesses. He talked about the area by Harmons but what about downtown.

- PC Member, Jana Miller, said that we need to decide who we want to be. Do we want to remain that bedroom community? There isn't anything to bring people to downtown. Unless we are business friendly and are willing to bring other people in we are not going to see that grow. From a resident's standpoint we need some economic vitality. She said talking about density, they calculated the density for that resort and it wasn't much more than a single-family lot. In all honesty there wasn't any more density in that project than if you built out single-family homes for that project so we need to be careful when we say we want single-family homes.

- Jarett Waite said that there is the issue that the large part of that is open space so the density is different than single-family homes.

- Mayor Rosenberg said that on that site though the General Plan encourages and allows clustering to preserve the hillside. There's reasons in some pieces of property to cluster. That's a reason why the South Hills is a cluster bubble.

- PC Member, Marv Wilson, said he can see all sides of the issue. He said they are looking for feedback from the Council about if they want short-term rentals in certain areas or have it scattered throughout the City. He thinks that short-term rentals in the Historic District would infuse some vitality in it to some degree. He said he keeps hearing that the residents only want single-family homes there but with time it would be detrimental to the main street downtown.

- PC Member, Jason, said what he thinks is attractive about the downtown area are the trees and the landscape. Some of the actual pioneer houses are dilapidated. We are at a point where we need to define what we want to become. We have talked about updating the General Plan. He said that the developers for the South Hills project said that this is the test for the next development. It is the time to figure out what we want. Santa Clara Drive doesn't really have anything to attract people to come here. He said the reason he voted for the vacation rental property at the last committee meeting is the density is very similar to what the single-family residence is. It is a big improvement to their first plan. It will be managed by a very professional outfit. We don't have hotels in our community and if people want to stay here, this is the only option. He doesn't see the detraction outweighing the positives.

- Mayor Rosenberg called upon the audience to make comments.

- Mr. Smith thanked the Council for allowing them to talk about these issues. He said they are adjacent to Lava Falls, which is a nightly rental, and he said that for the most part the renters are quiet and there hasn't been a lot of trouble. He said their concern is traffic. It's not the cars going in and out of the neighborhood. It is what the nightly renters bring with them. They park up on Pioneer Parkway and they bring big trailers with off-road vehicles in them and boats. It is a big safety concern. He said he likes the idea of having very specific requirements for nightly rentals. Off road parking, particularly for vehicles like trailers, boats, and four wheelers should be required. He said the other problem that they have had is lack of onsite management. So when people come and rent there is no supervision except for the adults that are renting.

Some of those units have had twenty people in them. So having a requirement for onsite management of these vacation rental properties should be a requirement so that we have somewhere to go to say that something is being disobeyed. The other thing is interfacing with neighborhoods. He said they share a common wall with Lava Falls. He said when they put amenities in the placement of the amenities is very important. When Staff and Planning Commission is looking at a development like this they need to take into a neighborhood next to it when locating a swimming pool or playground so it's not directly in someone's backyard. Those things should be written in the regulations so that when the builder puts together the plan they know to put the swimming pool on the street not by the neighbor's house. He likes having defined areas where vacation rentals will be. He said that at one point years ago every unit at Lava Falls was foreclosed on because without income from these vacation rentals, the owners walk away from them. That's what the owner of Lava Falls did and the other builders of the neighborhoods immediately adjacent to his neighborhood. He said don't put the rest of your citizens in front of a developer that wants to develop this property. He also said don't be afraid of the State Legislature. Get the lobby going with the League of Cities and Towns. You have a voice too. You need to maintain local regulations.

- Ed Dickie said that the City does require RV parking. He said that has been the City's concern about having an onsite manager. He said the development in the South Hills said they are going to have an onsite manager. That would be one of the huge determining factors for them.

- Herb Basso said it is like anything else. Even in a residential neighborhood if you have a noisy, rowdy party going on next-door you are going to call the police and that's what you would do in a short-term rental unit also. It's a civil problem.

- Ferron Leavitt said he thinks it is great that everyone is talking about this. He said that there are 42 units planned for the South Hills. Each one has a lock out that could be sold or rented. He thinks that if we open the floodgates the applicant has another 20-25 acres he will might want to do the same thing with those and maybe the neighbors or the Gubler or even himself. If we open the floodgates there is no shutting them. He said that we don't need to encourage people to come here. They are coming. There is development going on all over town. They are going to come whether we make short-term rental or not. We don't need big government. Maybe we need to think about how to cut costs instead of thinking about how to make more money out of people who are coming.

- Larry Ogden said the focus could be how to get businesses to build on the lots downtown. To be more proactive rather than reactive. You don't want short-term rentals on all of them because you want somewhere they can spend their money and not go back to St. George. He talked about the hospital development in Ivins and how they will need a choice of residences and building opportunities will increase shortly and that makes more sense to him and others as landowners concerning their property values than short-term rentals. His concern about the project approved for the South Hills is the location not necessarily the short-term rental. He said it will decrease property values because of its location. The values and vision of the City is determined in its land use and that is what is most important. There needs to be a strong consideration as to what we want in the future and not just what taxes, impact fees, etc. are going to bring. He said if the planned project can be done and put over

the hill he is fine with it. But it detracts from Santa Clara Drive and the feel of it. There ought to be a limit to short-term rentals with the size of our community. We don't want to detract from the historical atmosphere.

- HC Member said that he doesn't think that anyone on the Heritage Commission wants to see a vacation rental development in the Historic District. One of the PD type of projects. Our density restrictions already prevent something like that.

- Mayor Rosenberg asked if he would support a single-family home doing something like that.

- HC Member said he didn't have any problems with someone taking an existing structure and converting it to a vacation rental.

- Herb Basso said it is always going to be regulated. It will be done by zone, regulation.

- Mayor Rosenberg said maybe it should almost be encouraged to be converted to a short-term rental property if it was properly managed and met the standards. It would provide the opportunity to upgrade and bring some people in the downtown without having to have a big impact on the feel. He said he will still like to come back to having some measurable things they would have to have. Such as the parking.

- Jerry Amundsen said he doesn't want to see everything north of Pioneer becoming short-term rental destination. We ought to make zones. We ought to make quadrants that lend themselves to it and make sense for the fact that residents don't want to have one right next to their backyard. Although in the valley, he likes the idea of converting houses into short-term rentals. That needs to be a consideration. We need to get some commercial in the area.

- Tode Hafen said that this meeting has been great. It's nice to sit around the table and discuss this. We are at a crossroads with our community. We have to take a look at the short-term rentals up on the Heights. In the downtown area, in order to attract businesses there has to be some people. Vacationers shop more than locals do. There are things we can do to regulate these businesses. Converting the older homes is a great idea. She said there is a tax incentive financing for property owners to convert their homes into short-term rentals. On Santa Clara Drive it is a hard sell for single-family homes.

- Mr. Frei said that as a perspective builder for a business in Santa Clara he wanted to put some cottage type business in that are similar to Gardner Village in West Jordan, Utah. He said that short-term rentals are empty most of the week and that would give him business for only a few days of the week. He said short-term rentals will bring business to the downtown area but not enough to make a businessman such as himself to invest in Santa Clara.

- Tode Hafen asked him what would make him invest.

- Mr. Frei said that the downtown has the feel. He said as a business owner if you are going to attract people to the downtown area you can't base it on short-term rentals.

- Jarett Waite said his view is he is concerned with what Santa Clara has already. He said we are at a precipice where we may end up with whole neighborhoods foreclosed. He said he is totally on board with setting a limit or a moratorium so that Santa Clara isn't overrun with vacation rentals. He said he would love to find some data to help him make that decision of what that limit should be. He said we can put some restrictions in the ordinance to limit it. We are at the point where we could become short-term rental U.S.A. In terms of the current ordinance, amenity location is very

important and he wants to see that more defined. He does think the historic district would be okay for short-term rentals.

- Herb Basso said that this is in the General Plan to include commercial mixed uses. Short-term rentals are commercial opportunities. He spends a lot of time downtown. It is a wonderful place. He thinks vacation rentals will bring a good mix. He thinks we need vacation rentals to fuel the economy. He doesn't feel concerned about the economy. He said that he is for some kind of limit. It will be hard to find the limit. The market will be the ultimate limit.

- Mayor Rosenberg said that requirements can be put in the ordinance. Numbers could be challenged. Ratios might be able to be done. The amenities package, the onsite manager can be written in the ordinance and the onsite manager has to be registered with the City. Those aren't arbitrary. The commercial garbage, the onsite parking. Those are things to put on that list. Maybe a separate list for the Historic District. That might work.

- Ken Sizemore said a lot of effort and time and money was put into the General Plan. He said that when the Planning Commission gets a development proposal in front of them they need to look at the General Plan and does it reflect the values of the General Plan and if it doesn't that is a good indication that it is going down the wrong track. He said that Item 2-1 says "Insure a Santa Clara image for the entire City." That is what we are talking about. That is subjective. He talked about the tree line, not having cookie cutter homes, variety in rooflines, small neighborhoods. Let's utilize our General Plan and approach those things. He thinks that long-term residential rentals are going to be a bigger challenge for our community in the near term than short-term rentals. If we really want to get serious about doing some commercial development downtown, the avenues the State Legislature has given us is eminent domain and tax financing and we go buy lots from willing sellers and consolidate properties into larger pieces so that we can do the bigger developments. That is what larger communities do. St. George is doing it. Washington is doing it. We need to decide if that's what we want to do. Are we willing to make those steps and do something big. That usually comes from the City and not the landowners. He said if it keeps becoming a problem about these small parcels up and down Santa Clara Drive, what are we going to do? Maybe we need to erase those property lines and take off the home that is there and think big. He said he doesn't know if we are ready for that. He talked about agricultural preservation. If the gate opens the ag line might disappear. Are we going to invest in some kind of a program that allows us to preserve that agricultural land. This community is relatively landlocked. He said they need to think about this as a Council. We cannot build our financial base on impact fees and growth because one day that spigot is turning off. We will be built out. We have to make do with a financial base that will support us and it is obvious that residential property taxes aren't going to be that base. We need to think about other options that will allow that revenue to keep coming in. We are in the 21st Century now and what we saw developed in the 20th Century isn't going to be what we see demanded us in the 21st Century. We can't try to replicate the 1950's and 60's. We need to allow developers to come in and tell us what the market is demanding and decide how we can reflect the Santa Clara image with the demand that we have.

- A comment from the audience: this development that they want to put in the South Hills is opposite of what Ken Sizemore said he likes. They are basically identical. He

said that if the Council doesn't want to lose the agricultural they can't push for these type of things. Pushing for these types of developments puts their family in a dilemma. He said they have been trying to develop that hillside and if this goes through do they want to develop or do they want to turn it into that and just move and go someplace else. He said they are probably the closest related to the early pioneers and what they had worked so hard for and he said if they are pushed out that is what will happen. He said that if you want to keep it the same valley, don't do it in the valley. He said you need to know how you are pushing and what you are pushing, those who still have the land. He said they would prefer to see it stay and if that is what they are going to be forced into, that is what will happen.

- Ken Sizemore said that he thinks that the valley and the larger developments need a different set of standards. He said that we have talked about that. The larger parcels that can afford to put in the amenities and the density; it makes sense in those locations where it's sensible. Down in the valley, that's just not going to happen. He said we probably just need to refine what we mean by a bed and breakfast and we want bed and breakfast in the valley. He said that's what he is hearing. Smaller scale, not the big multi-unit, high density, big amenity type of developments. We need to set up some standards of what we want to see with a bed a breakfast concept. A 21st century concept of a bed and breakfast.

- A comment was that they are vacation rentals are well kept and clean. They have to be because they get rated on website where they rent them. They are self-regulating in some respects also.

- Tode Hafen talks about creative incentives that can be given to renters.

- Larry said that downtown is suited more to the bed and breakfast then vacation rentals and it would fit the image. He said there is the South Hills where some sophisticated planning can be done. He said at some place there is growth there and it should be focused on and not at the top of the hill on his side. He said that all the guys along that agricultural strip should maximize their investment.

- Jack Taylor, Public Works Director, said that this group that came in met every ordinance that the City has on the books. When you look at the General Plan, they met everything on the General Plan so either we have a developer that might have spent thousands of dollars and we bring them forward and they have met every demand that has been asked by the Staff and what we have on our books and then we don't make a decision and then we go back to the developer and tell them sorry. That is pretty tough.

- Mayor Rosenberg said that is where lawsuits stem from too.

- Jack Taylor said that if we had better Ordinances or direction for Staff.

- Mayor Rosenberg said that is what we are talking about tonight is direction to make some changes or additions to the Ordinances. Some of the things we have heard tonight can go back and be put into Ordinance form that can do some of the things we have talked about.

- Jack Taylor said that everybody is going to try and make their investment here. They are going to try and get their biggest bang for their buck. Everyone who owns property is going to try and do the same thing. That is why they are bringing their stuff to us.

- Brad Hays, Parks & Trails Director, said that he knows his neighbors and he would like to continue to know his neighbors. He doesn't want us to turn into a town like Springdale. He thinks that at least in the Heights we have enough rentals. He said

maybe we could look at some apartments up there.

- Mayor Rosenberg thanked the Council and the Planning Commission and said that he hoped they got some direction. He said there'll be some additional direction given to the Staff. He thanked everyone for coming to the meeting.

- Ed Dickie said that his neighbors asked him to speak for them. They were a little worried when Paradise Village first came in. They haven't had any problems with it though. But they are a little nervous about having all the vacation rentals being pushed up there by them. He said that there is a good economic thing that comes from them though. People want to stay. He said that people end up loving the area and buying a home. He said that their property values actually went up and part of that is because of Paradise Village.

- Jerry Amundsen said that he was thinking that for now we need to reserve that quadrant of the City between North Town Road and Rachel. It should maybe be single-family. There needs to be a transitional zone right next to Harmons. The wash takes care of that.

- Mayor Rosenberg said that that piece is already zoned and it has some medium density already approved. They have zoning for that now. He said he has some concerns with taking the zoning out from under it when they have met the zoning requirements. He said we are going to have to look for the quality in the design on that piece in there. He said with the density in there it's not all going to go single-family.

- Jerry Amundsen said that he isn't against higher density.

- Mayor Rosenberg said we may be able to limit short-term rental in there but density will be different.

2. County Fair discussion

- Tode Hafen asked what the Council wants on the 2 pages of the County Fair magazine.

- Mayor Rosenberg asked if she was going to get bios.

- Tode Hafen said she is working on those.

- Mayor Rosenberg explained to the Council that the City has 2 pages of copy in the Fair magazine and we are supposed to write the copy and they will do the pictures for us. What do we want that to be? What do we want to accomplish?

- Jarett Waite asked who gets this magazine. It would be nice to write it to a particular audience.

- Mayor Rosenberg suggested spotlighting the "now". "Why would you want to come to Santa Clara?" Write it like a tourism pamphlet. Talk about the bike trails. Take that approach or take the heritage approach and give a history of Santa Clara.

- Ken Sizemore said that we have a talented Staff that could put this write up together relatively quickly, Bradi and Ed and Brock. He thinks the direction he heard just now is to touch on the history but focus on what we have here now.

- Mayor Rosenberg asked if Bradi can do it.

- Ed Dickie said he thinks Bradi can do it and it is something she would like to do and Staff will help her.

3. Budget Update

- Ed Dickie showed the Council the Santa Clara City General Fund Revenue. He said that we were able to find another \$100,000 to go back into the reserve so we are at 25.95% going back to the General Fund Reserve. He said that Item #6 are still not in the Budget and they will look at those in December. He said he took out G, which is swipe cards, and he added K, which is the Conference Room update, \$5,000 in General Fund and \$12,000 total. This will get the Conference Room more updated. He added a \$200 donation to Multiple Sclerosis. We had more than \$100,000 extra for building maintenance that we found and took it back out. We will get a letter from the State that says we are over and that's not a bad thing. That's about \$40,000 that we are over. He said that if we spend everything in this Budget that the Council adopted going forth at the end of next year we should have \$876,629. That will change we hopefully will be able to get these priorities done, A-K.
- Tode Hafen said she might need a little more money for the glockenspiel.
- Ed Dickie said that this will be on the May 31 City Council Meeting agenda for the Council go through the Rap Art Tax and there is \$20,000 available.
- Tode Hafen asked if we are receiving revenue from any other than Paradise Village and can we tell what kind of impact that is having.
- Brock Jacobsen said that the City receives a transient room tax and also sales tax from them. He mentioned several other short-term rental areas besides Paradise Village.
- Ed Dickie said that the County gets most of the transient tax but the sales tax is broken up. It's still more than doubled what we used to get. It's picking up.
- Brock Jacobsen said the City received \$1,500 in sales tax for the month from Paradise Village.
- Mayor Rosenberg asked Staff to look into those numbers a little bit more.
- Jarett Waite asked if there is a projection of when impact fees will run out and we will have to pay the loan on the City building out of the General Fund. How close are we to that?
- Brock Jacobsen said that currently all the impact fees are still in play but streets. Public Safety has \$1.6 million that we can use. It really depends on how growth continues to go.
- Ed Dickie said that sewer and street will be done this year. They will both be off using impact fees for this building.
- Mayor Rosenberg said for everyone to keep these thoughts in the back of their minds.

3. Staff Reports:

Fire Chief Dan Nelson

- Will start applications in June and July. They will put up a banner. They have 8 that are interested.
- They are staffed for Wildlands. They are up on the board available right now.

Brock Jacobsen

- He put March's financial statement in Council's boxes for their review. Sales tax is down. Most other revenue are above projected. Most other departments are above budget. He talked about the purchase of Stucki Park.

Brad Hays

- The stone still needs to be engraved for the Veterans Memorial. Everything else is coming along. If the pavers aren't engraved we will still have them finished. That may be the one thing that we don't have ready. We have raised \$34,200 and have expensed \$24,000. We still have to do landscape and he is waiting to do benches. We are looking good moneywise. There was a lot of donations.

Jack Taylor

- They are going to tear the Hafen and Larson homes down starting on June 5 and then the Bilancia home when they move out.
- Ken Sizemore said that neighbors are asking about slurry seal and when their street will be done.
- Jack Taylor said that every street is done every five to six years. He said they try to do the streets in zones. He said there are streets that they find that just need to be done but for the most part they do one area at a time. Canyon View will be done as soon as school gets out. It will be a chip seal. He said that Intermountain had some extra time and did more roads than they were planning on. They have done a good job.
- Ken Sizemore asked about heavy equipment used to tear down houses tearing up roads.
- Jack Taylor said that they are working on the glockenspiel. It will be in the center and there will be roll up doors and the doors could be up to \$30,000.
- Ed Dickie said we should get donations for that.

Corey Bundy

- Talked about the lights in the banquet room.

Ed Dickie

- Paradise Village's \$1,500 room tax and their \$4,500 sales tax equals about \$6,000 total. That's what that number should be per month. That is February. March should be an increase.
- Mayor Rosenberg said it would be really interesting to see what typical unit generates, a single-family short-term rental over a single-family home per year.
- Ed Dickie said he will see what we can get on that. He asked Mayor Rosenberg on those magazines to get that to Jack so we can get it to Bradi. He wanted to clarify for the magazine that Council wants it to be the City's history but what we are now.
- Ken Sizemore asked about the outcome of the company challenging our software and Bradi.
- Ed Dickie said that Bradi is looking at her own legal pursuit for this. He said the City has no worries as far as our end Matt has taken care of it and Bradi is taking care of her own legal action.

4. **Executive Session:** None.

5. **Adjournment:**

Meeting Adjourned at 8:23 p.m.

Chris Shelley – City Recorder

Date Approved: _____