

**SANTA CLARA CITY COUNCIL SPECIAL MEETING  
WEDNESDAY, OCTOBER 4, 2017  
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Special Meeting on Wednesday, October 4, 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: Herb Basso, Jerry Amundsen, Ken Sizemore, Jarett Waite and Mary Jo (Tode) Hafen  
City Manager: Edward Dickie  
City Recorder: Chris Shelley

Others Present: Brock Jacobsen, Assistant City Manager; Jack Taylor, Public Works Director; Corey Bundy, Building Official; Brad Hayes, Parks & Trails Director; Dan Nelson, Fire Chief; Matt Ence, City Attorney; Cindy Frei; Patrick Manning; Joe Platt; Ramona Hafen; Jill Lamph; K'Lynn Patterson, Crystal Hegemann; Neil Hansen; Cathy Hansen; Paul Patrick; Rene Patrick; Glen Graff; LeGrande Hafen; Lujuanna Hafen; Robin Harter; Merann Hegemann; Norm Hegemann; Lenia Mathis; Chris Nelson; Missy Nelson; RJ Hughes; Lee Ence; Brenda Coleman; Cameron Hegemann; Mori Kessler; Rex Oliver; Bret Smith; Brady Platt; Joe Platt; Don Graf; Kyle Hafen; F. Coop; Barbara Renouf; Jack Renouf; Nate Munro; Heidi Drake; Wendell Gubler; Marsha Lyn Gubler; Keith Gubler; Jodi Jacaway; Ed C.; Denise Webster; Ben Hegemann; Judy Ogden; Pat Graf; Ben Shakespeare; Ed Coombs; Philip Gubler; Dennis Frei; Steve Maxfield

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:02 p.m.

2. **Opening Ceremony:**

- Pledge of Allegiance: Jerry Amundsen
- Opening Comments: Jerry Amundsen

- Mayor Rosenberg said that the items on the agenda tonight do not require a Public Hearing before the City Council. This is not a Public Hearing. We can solicit public input so if the audience would like to address the City Council on items on the agenda they need to fill out a form and state specifically what item they want to address. The amount of time each person has to speak may be limited depending on the time. If a person spoke at Planning Commission then what they said was recorded and those minutes have been given to the City Council in written form so there is no need to necessarily repeat word for word what they said at Planning Commission. He asked that they speak on anything new that was not discussed at the Planning Commission and that they feel is relevant to the

City Council's decision tonight. He said that he and the Council have heard a lot of the information so it doesn't need to be repeated over and over again. He also cautioned the audience that there will be no public outbursts, applause, shouting or intimidation and if that happens he will shut down the public comments immediately. He asked that everyone be cordial and keep the meeting calm and in order.

### **3. Working Agenda:**

#### **A. General Business:**

1. Consider a Zone Change from residential R-1-10 and R-1-10/RA to Planned Development Residential on 82.7 acres generally located at the south end of Gates Lane on the south side of Clary Hills Drive, and extending upslope and to the south. The project is a Hotel style resort, and approve Ordinance 2017-24. Presented by Bob Nicholson, City Planner.

- Corey Bundy, Building Official, explained that Bob Nicholson is at a Planning Seminar in Park City so he will be taking Bob's place. He said the applicant is Split Rock Development Group, Patrick Manning, Joe Platt and Kyle Hafen are the representatives. The General Plan: Single-family/Low Density (SF/LDR) and Medium Density Residential (MDR) on 82.7 acres. The project location is on the south end of Gates Lane on the south side of Clary Hills Drive and also extending upslope in the South Hills area. The total number of units would be 459 maximum over the 82.7 acres; overall density 5.5 dwelling units per acre. Density on the 57.4 net developable acres is 8 dwelling units per acre. Phase 1 is proposed to have 21 dwelling units (Frei parcel of 9.7 acres) and in Phase 1 there are 11 single-family homes proposed along Clary Hills Drive and another 10 single-family dwellings located to the rear along a private lane. The proposed density for phase 1 is 2.2 units per acre. The summary of changes to Phase 1 made since the previous public hearings held in 2015, and in April, 2017 include: 1. A decreased number of proposed dwelling units from 112 (first application in 2015) to 42 units (application in 2017) to 21 single-family homes (current proposal). 2. No individual driveways or parking proposed along Clary Hills Drive. 3. Current proposal is for 21 single-family homes with a craftsman style architecture, similar to the "parade" home in the Sycamores subdivision located just east of the Phase 1 property. 4. Home size is approximately 3,520 sq ft total for 13 dwellings (11 along Clary Hills Drive plus 2 along the rear drive), and approximately 2,100 sq ft for the remaining 8 homes located on the rear drive. 5. The 21 single-family homes in phase 1 propose to operate similar to a Bed and Breakfast Inn with a common management arrangement. Note that in addition to Phase 1 the rezone request applies to nearly 83 acres, with the other approximately 73 acres located uphill to the southeast of the Frei parcel. The purpose for requesting the PD-Residential Zone is to allow for a residential development on 82.7 acres with 459 total dwelling units. Overall project density is 5.5 units per acre, but when steep slopes are subtracted, the net developable acreage is 57.4 acres, which equates to a net density of 8 dwelling units per acre. The entire project is proposed as 'destination resort' with project amenities including a pool and clubhouse, and bike trails connecting to the existing trails on the property. Parking: the base requirement is 2 parking spaces per unit, plus guest parking in the amount of 1 additional space for every two bedrooms in excess of the first

bedroom. (See attached document for additional information on parking.) Short-term rental use: The Planning Commission approved that the units in Phases 2 thru 8 be permitted for short-term residential rental subject to the PC's future approval of a recreational amenity package for phases 2-8. Phase 1 is not approved for short-term rentals. (See attached document for additional information on short-term rental use.) Building Height: The Zoning Code states the height limit is 35 feet or as approved by the City Council upon considering the Planning Commissions recommendation. In phases 1-3 and in certain other areas the height will be 26 feet and the remaining areas will not exceed the City's height limit of 35 feet. Phase 1 will have a density of 2.16 du/acre. Phase 2, 2.85 du/acre. Phase 3, 3.01 du/acre. Dwellings in these phases may be visible from Santa Clara Drive. Phases 4-8 are not visible from the Santa Clara valley. (See attached document for additional information on building heights.) Common Open Space: The Zoning Code requires 30% of the project area be useable open space. A landscape plan has been provided for the phase 1 area but is subject to change. A detailed landscape plan will be needed with site plan submittals on phases 2-8 when those phases are submitted. Traffic: Dwelling units used for short-term rentals generate approximately 6 trips per day per unit due to the fact that rental units are not occupied on a continuous basis. The project plans to utilize Chapel Street as a second access point and the project applicants are asked to participate in the cost of a bridge over the Santa Clara River at Chapel Street. A Traffic Impact Study states that with the estimated project traffic, the effected intersections will still function at an acceptable level of service. (See attached document for further information on Traffic.) Second Bridge/Crossing of the Santa Clara River: Within the Impact Fee Facilities Study is the plan for a bridge over the Santa Clara River at the end of Chapel street and the plan is to connect Chapel Street to Clary hills Drive and connect to Gates Lane. This access would provide the needed second access to developments on the south side of the River. PC Consideration: Because a detailed site plan and building elevation drawings were only provided for phase 1, (and that phase is now subject to redesign) a rezone approval on the entire 82.7 acres should be conditioned with the requirement that detailed site plans for all phases shall be submitted to the City for Planning Commission and City Council review as part of any request for plat approval. Development Agreement: The applicants have proposed a Development Agreement as part of the overall zoning approval package. The development agreement is for City Council consideration. PC Action: After approximately 3 hours of public comment (22 speakers) the PC voted to recommend approval of the zone change to PD Residential on the entire 82.7 acres, with the understanding that short-term rentals are not permitted in the phase 1 area (Frei parcel) and that the proposed project layout for phase 1 will change some with the prohibition of short-term rentals in phase 1. Also, detailed project and phase plans complying with section 17.68.110 of the Zoning Ordinance will be needed for all phases as part of any plat approval request.

- Herb Basso asked if the number of units will change with the result of changes in phase 1.
- Corey Bundy said yes. There may be a redesign on phase 1 so there could be an increase or decrease based on that redesign. If they stay with the same number of units then the density would be the same.
- Patrick Manning, representing the applicant, Split Rock, thanked the City Staff and Planning Commission, the EDC, Heritage Commission and Council and many residents

who have taken time to meet with them. He said they have taken seriously the feedback they have received particularly in regard with the view shed. Residents expressed concerns and they were able to address some things and they have put a lot of attention on the visual impact of the view shed from Historic downtown. They have gone to low-density, craftsman style, and also to single-family on phase 1. This property (the resort, not phase 1) shares no borders with any existing residents of Santa Clara. It can be seen from Santa Clara Drive so attention has been given to rooflines and to heights of the building structures and where they are located within the property. The project will be designed and built by a local developer and a resume of high quality. This will bring more jobs and revenue then currently exist in Santa Clara. The impact is extremely low and the aesthetics can't be much better.

- Herb Basso gave a statement regarding this project. He has no conflict of interest with this project. He said his statement is from personal interviews, direct observations of similar resort properties and from discussions with residents for over 10 years. For years City leadership and community members have expressed a need to increase our sales tax base with clean and quiet industry. It takes private investors with a solid plan, vision, financial resources and a lot of courage to take the risks that would ultimately benefit our community. Those benefits include maintaining and strengthening our historic district, improving our economic base for all citizens by keeping their money in their own pockets, and enhancing our South Hills entrance area with appealing development. He stated that this commercial project satisfies those very factors while reflecting a residential look and feel. The developers have shown their willingness to invest in the community while listening to and addressing the concerns of its citizens and leaders. Development plans include blending structures into the landscape and setting back some of the buildings. This is a proposed resort that adds industry to Santa Clara, designed like a residential development. It is not high-density but it is medium density. The plan calls for clustering which will provide larger open spaces than a typical R-1-10 neighborhood. Santa Clara's new sources of revenue with this proposed project would include transient room tax, a new separate room tax for the City, sales tax and property tax. Santa Clara can't meet our financial needs by simply saving. We have a responsibility to plan for our economic future. We need an infusion of revenue to provide for the needs of our citizens and the level of service they expect. The city will need hundreds of thousands of dollars to maintain services, repair infrastructure and make improvements. The new tax revenue will provide that resource. Management will be consistent under one group, reinforcing good management practices with consistent, high quality appearance for years to come. The resort will add new property value. The historic district will be supported and enhanced by additional revenue as it attracts new businesses. All residents will benefit by eliminating the need to raise primary home property taxes. Negative impacts of crime, traffic and noise from a resort are not proven. He talked about the phrase "follow the money" and he supports this project because it will benefit the residents of Santa Clara for decades to come. He stated that he has met with 2 treasurers and planning people in the County Tax Office and with operations managers of 2 resorts. He has talked with many residents. The property tax revenue, the Santa Clara share, based on an average of \$350,000 units will bring \$59,000 new money to our community. With 400 units built it could be \$237,000 to our revenues. With occupancy rates at a conservative 41%, based on \$224 a night, average, at 100 units, brings in \$3.3 million or \$134,000 taxes. With 400 units it will bring \$536,000 of tax revenue to our citizens. Include another \$100 a

day per family for restaurants and concessions. He asked Jack Taylor, Public Works Director, how much of a shortfall we have because the road tax didn't pass. What do we need for next year that we cannot generate just for roads?

- Jack Taylor stated that the last few years the City Council has elected to take \$50,000 out of the General Fund and put it towards the road fund which takes away from parks and all the other funds. For just the asphalt alone for Vineyard it would cost about \$400,000 so we would be short there and there are other roads that need to be redone. Roads over by the high school need to be done at a cost of about \$500,000 so just for these 2 roads alone it would be about \$1 million.

- Herb Basso said he has done his homework and he stands behind these figures and the statements he has made. This is a clean industry. It isn't noise and smoke like manufacturing.

- Tode Hafen declared a conflict of interest. Her son is involved in this project.

- Mayor Rosenberg reminded everyone that this is not a public hearing. He will allow some public comment. He will try and give everyone who has asked to address Council the opportunity to do so. He asked that all the information brought forth be new and pertinent information. He said he will maintain the order of this meeting. No remarks will be allowed that attack someone personally or their motive. If someone goes there they will be shut down immediately. He turned time over to public comment.

- Crystal Hegemann, 1483 Boyce Pond Circle, had over 500 signatures on a petition. She read the petition, which stated that they are concerned citizens who are against the zone change request. They want to keep the view shed as single-family homes. They urge the City Council to vote against any proposed zone change to vacation rentals. They don't want the vacation rentals. She said that Split Rock builds beautiful things and they are high end but the concern is the vacation rentals. She said they have issues with phase 2 and 3. She said they have highlighted on a map all the people in the valley who are against the zone change. She said this will effect the Hills neighborhood. She said they wouldn't have built their home there if they had known it was going to be a resort. Everyone in the hills neighborhood signed this petition except two people.

- Robin Harter, 1429 Boomers Loop East, said she has done some research on vacations rentals in the area. One is the Retreat at Dixie Springs. They have multiple beds in these units and some can fit up to 30 people in them. That brings in a lot more cars. It could be 5-7.2 cars per unit. If 40% are rented that is a lot of cars coming through our small town. If there is a downturn in the economy she is afraid of them being rented long-term and it could cause a lot of issue of crime. How are these going to be maintained if there is a downturn in the economy. She said that Washington County is changing the tortoise reserve and that is going to change the biking and recreational area and limit that if this passes. If that is the case, what will bring the tourists into the area? These could become unoccupied and then turn into mass rentals. Homeowners take better care of their land than renters do. She said she has sent the City an email to express other concerns.

- Mayor Rosenberg said he wants to address an email from Eric Drake regarding the article on St. George News talking about the expansion of the HCP. The map that was in the article is an area that has been identified as tortoise habitat. It's not the area that has been designated to be added to the HCP. That area has not been determined yet.

Determination by the U.S. Fish and Wildlife service is pending of how many additional acres are going to be required to be included in the HCP to compensate for the property that is going to be disturbed by the Northern Corridor route. That red area on the map is

not the designated additional area for the HCP. The County, in their resolution, provided for the continuing recreation use that is out there now on all of the ground so even if it is included on the HCP the recreational uses will still be allowed so it's not going to limit that in the South Hills. The City has been working with the County and the BLM and the shooting park will continue forward. He also stated that the short-term rental approval is a Planning Commission approval. It's not a City Council approval. Planning Commission has the ability per City Ordinance as the Land Use Authority to grant the ability for short-term rentals to happen. The City Council is the appeals board. If someone wants to appeal that decision they have to file an appeal with the City in a separate hearing and the Council becomes a judicial type body and hears that appeal. If Council decides tonight not to allow the short-term rentals in the project the only option they have is to deny the zone change. If the zone change is approved, the Planning Commission has already granted the short-term rental aspect to it. If the zone change is denied then it's off the table.

- Wendell Gubler, 3215 Truman Drive, thanked the Council and said he did a survey at the fruit stand. He spent two hours talking to people from all over. He asked why they come to Santa Clara and they said they like the small town nature of Santa Clara and the fresh fruits and vegetable they can buy here. They told him not to change the town. He said there is a revenue problem. We maybe need to look at the expense side of this. He encouraged the Council to have a budget meeting and invite the residents so they can see the revenue and expense side. He spent some time with Jack Taylor. He is concerned about a bridge on Chapel Street. It will dump traffic in the center of town. He proposed an alternative route. He said the second bridge could be up by the proposed Western Corridor and the road would go above the present development near the Western Corridor and it would go on the other side of the City yard and it would go up by the beltway and it would dump traffic off on to Pioneer Parkway. He said he doesn't agree with the resort being short-term rentals but if you have it the bridge is in the wrong place. He said Jack told him it was more costly to build the bridge there but it doesn't dump traffic into the downtown neighborhood. People could also get to Harmon's a lot quicker.

- Jack Renouf thanked Herb Basso for all the work he did. He thinks that Herb comparison showed nothing being built on the hills. This is a pretty smart builder and a very good builder. Entrada is a great development but it is not Santa Clara. He thinks they probably could have an alternative plan to build homes on this property. He said it's not that they don't want development. They don't want overnight rentals. They want homes that will have people living there that will contribute to this community. You won't get that with anything other than homes. There should be a comparison with homes. There are 500 signatures and some people are talking referendum and that is about half the signatures needed for a referendum. The opposition to this is strong. It is determined, persistent and growing. Council needs to listen to the voice of the people. He suggests postponing this issue and putting it on the ballot. That is a great area for recreation and they will sell their condos but that is not what the community wants. He told the Council to do their education and put this to the vote of the community. We can make an intelligent decision. The bridge down Chapel Street is the worst part of this project. That seems like a poor thing to do. The bridge is too close to the other bridge. He thanked the Council for their service.

- Ben Shakespeare, 2699 Crest View, thanked the Council for all that they do. He said he

heard the passion from both sides at the Planning Commission. He said the traffic will have to be the top priority. Traffic will continue to increase no matter the zoning. The bridge is not the only option for future growth. There will be other options. He is in support of this project. It really is the tax revenue. He opposes a tax hike and most would. So finding alternative revenues is important to the community. The impact to the community is minimal considering what is already zoned for that area for traffic. The pros for this development outweigh the cons of this. He understands the concern of people that live close to this. This is not Entrada but the comparison is just in the development. As developers they have gone through the highs and lows of the economic downturn and they continue to do what is right in the community. They listen to citizens and the good that will come from this is positive for the community.

- Ed Coombs, 3309 Hamblin, said he agrees with the quality of the buildings but it does not follow the golf course verses an ATV park. He struggles to see how property values will go up with years of building, increased traffic, dust. And then every weekend there will be all manner of ATV's. He said the valley will keep that sound in. Who is going to manage the trails there? Will there be a ranger station out there? He said the water features will be across the street from two cattle ranches. The smells and the flies will cause problems. This will bring in the ATV crowd and it's not a quiet crowd like Entrada. It is the noise, the increased dust and traffic that will affect the residents. He suggested moving this resort west of Rachel Drive. Push it 2 miles west or east.

- Brady Platt, 3878 London Lane, said he has worked for the applicant for 16 years. The development is in his hometown so he has looked at all the factors personally. The trailhead is currently very uncontrolled. He believes that with the improved control measures that we put in we will have a much safer trail. If Split Rock were to put residential homes in the number of units would be similar and the number of traffic would be 30% less then with residential. He is in favor of the resort. He thinks it is the right fit for that area.

- Denise Webster, 1485 Chapel Street, asked if anyone on the Economic Development Committee, the Planning Commission or the City Council or any developer that live in the Historic District that would be directly impacted by this.

- Tode Hafen said that she lives in the valley.

- Denise Webster asked if anyone lives in the historic district where this is going to take place.

- Herb Basso said he has a property in the historic district that this impacts.

- Denise Webster said the Mr. Platt is building by the Sycamores and it is touching the project. She asked him why he is building a home and not purchasing one of these vacation rentals for his family to live in.

- Mayor Rosenberg asked Denise to focus on the zone change. The issue in front of the Council is the zone change.

- Denise Webster said that she asked that question because Santa Clara is about home and family and preserving the historic district. She said that people want homes. Should it be required to have the developer or the Council move their family into these vacation rentals or next to them. She said that she is being asked to give up something that she has known and to rezone something that has been there for hundreds of years. All we are asking is to keep this residential. She said that change is coming and building is going to happen. She said if they all had their way all the phases would be residential. She said that kids want to move home to Santa Clara and they don't want to live in a rental unit

and this would take all the property. There is no future development for them to come to. This sucks up everything. At least allow a few phases for actual homes. There is a reason we want residential. The historic district only have 175 homes. 62 of them are already rentals. 430 units are 4 times what we already have. It is game changing. We need homes. Santa Clara is about the community. We take our neighbors interests in heart when we are building. She said there was comment at the Planning Commission that it's about individual interests. She said that down towards Rachel is a great place for this. She is concerned about what the view will be. It will be Bed and Breakfast and not a beautiful hill. Can we vote on this by the community? This will change our community forever. The Council needs to vote the voice of the people or give the people voice. She said they appreciate what the developer has done in changing the plans but she wants it to stay residential homes.

- Philip Gubler, 2786 Santa Clara Drive, said he is grateful that the Planning and Zoning denied the short-term rentals on Phase 1. It is adjacent to his property which he is anticipating developing. There was a citizen advisory committee in place for the recent General Plan for the South Hills changes. There was a public open house for this and a lot of comments on it. Most people did not want vacation rentals. The City held a public hearing where they got the same response. It was clear the citizens did not want vacation rentals. Here it is only a week or two later and you are considering already making changes to that General Plan. We welcome change but we don't want anything above low density or vacation rentals. We recommend they push that back and it's not in view of the valley. Safety of children is really important. You are talking about 2,800 additional vehicles a day going across that bridge. Very few people would use the bridge on Chapel Street. It's not a direct line of travel. Think of the children that will be walking along that road. It is concerning that there are a large number of rental units. You don't want your children there. You don't know the people and it's something we don't want to have homes next to. The property owners in the Sycamores are very against this. This will not have a positive impact on his subdivision going in directly to the west of phase 1 and people won't buy if there are vacation rental next to them.

- Matt Ence, City Attorney, said he felt obligated to speak out to correct what Mr. Gubler was saying concerning the General Plan for the South Hills. He said that the General Plan that was adopted last week actually provides for these densities. That is what was adopted by the City Council at that time.

- Philip Gubler said that if that was what was adopted that is not what was proposed. The Planning and Zoning recommended for single-family.

- Matt Ence said that it was single-family low density in a portion of the South Hills but not the entire area.

- Philip Gubler said that everything in view of the valley was for single-family low-density housing. Anything to the south of the hill was for a higher density and other development options.

- Matt Ence said the zone change that is proposed is consistent with those approved densities in the General Plan.

- Philip Gubler said that it was for single-family and these are not single-family units these are vacation rentals. There is a big difference. What was presented and what was approved for the north side of the hill would have been for single-family not vacation rentals. He said there is another ordinance that talks about changing zoning and about how everything needs to be right and appropriate for the area. He said they believe that

this proposed use will adversely affect existing use or suitability of adjacent or nearby property. He said it is proposed to put vacation rentals near residential units. He said there is no substantial reason that it cannot be used as it currently is. He is concerned with the traffic. There is a direct line right to the river south of Dutchman's Market where a bridge could be placed. That would take a lot of traffic off of Santa Clara Drive. The proposed bridge on Chapel Street is not going to help traffic on Santa Clara Drive. He is concerned about the parking that they propose. He said there is no doubt it will increase the revenue. What will happen when the Western Corridor comes. His guess is there is going to be some exit to the South Hills so there won't be a lot of traffic coming through Santa Clara for revenue. Council needs to consider that. If these end up being just rental units it won't increase the revenue and will increase the burden on the city. He would like the City Council to listen to what citizens are saying. He said we do not want short-term rentals. Don't just look at the financial part. You will lose the charm of Santa Clara.

- Dennis Frei, 1448 N. Santa Clara View, said to Herb Basso that if \$50,000 is all we've got and the road costs \$400,000 it looks like we are kicking the can a little farther on the road thing because adding that subdivision will add more road that we'll have to come up with money for. He said he is opposed with the bridge on Chapel Street and thinks the bridge should be developed somewhere else. He pointed to and discussed different road options on the map. He said it would be a perfect place to come up through by Dutchman's. He mentioned about the proposed down by Sunbrook. He said to have them rework the roads and the bridge area.

- Aaron Reynolds, 786 Leda Lane, said they moved to Santa Clara in 2010 and they love Santa Clara. Our community has a tax revenue shortfall so if we do nothing two things can happen either we cut back on maintenance, parks, police, fire departments or the existing taxpayers take on additional tax burden. He said he travels for work on a weekly basis. One of his biggest fears is his children having to move away in years to come due to lack of opportunity in the area. He is excited about this project and the positive impact it can have on our community in years to come.

- Steve Maxfield said he has deep roots attached to this area even though he is not currently living here. His mother operates the Eric Kimball Foundation. He said he loves the open space in this county. He said that 65% of the property in Utah is owned by the Federal Government. 10% is owned by the State. Only a small percentage is privately owned and developable. The City has to pay for some of the recreation impacts. If this project came to his area he would be thrilled about it. If you want to preserve your open space you are going to have to use it. You are going to have to bring in other people who use it or it is going to go away. If you can't show that the economic impact of tourism was equal to development you will eventually lose that. He said he is one of the primary sponsors of the Winter 4X4 and last year it had over a \$3 million impact. There are 3 sources of income through this zone change for this development: property tax, room tax and jobs, which is lacking in this county. This county has a surplus of single-family non-residential housing. Most of them are rentals. One of the positive aspects of this development is it is designed for people who want to come down and not stay in a hotel. He said people are concerned about crime but people love this area and they want to come down and spend money and visit and form groups for public cleanup and a lot of trash is couches and cars and things from the locals.

- Herb Basso asked about the volunteer cleanup groups.

- Steve Maxfield said they form groups to come clean up because they love the area. The couches and beer bottles and bonfires are coming from the locals. He said, why are we here. It's not about short-term rentals. We are here on a zone change for Planned Development Residential. Under the PDR Planned Development Residential District it allows residential development in a manner open to advocating, innovating and design in layout. This development is moving away from this is where everybody lives to this is where everybody shops and it gives more of an economic opportunity for people to have employment. There is a standard of review that has been mentioned, which is a review that the Council goes through or the Planning Commission deciding to approve it. It isn't by a raise of hand. There are actual requirements that the Council has to go through and look at. Are there substantial reasons that the property cannot or should not be used as currently zoned? There are plenty of single-family residences in the county. It makes more sense for long-term impact for the community that it should be rezoned. He supports the zone change.

- Greg Leavitt, 1388 Quail Street, asked the Council to consider all the work that has gone into this, all the committees put together, all the petitions. We have a safe community and we want to keep it that way. He said he has a tough time comparing this project to Entrada. Entrada is a gated community with security. Parking over there is already out of control. He agrees that we need to look at building the bridge somewhere else. It would have to be redone years down the road. We should look at lowering the ISO ratings. We do not have a ladder fire truck. We don't have a station to store it. These are things we need to think about.

- Joe Platt, Split Rock, said they want to answer as many questions as possible and have tried to not be argumentative. The Council has the right to hear Split Rock's responses to the comments that have been made in opposition to the proposal. In response to the survey, any survey is only as good as to the care with which the questions were drafted. He said they were encouraged to do a survey and they didn't think they could do one that could be objective so they chose not to. They could have matched or collected more signatures. He said there seems to be a perception that these rental units are not as valuable or cared for or different standards of maintenance than for private homes. Everyone of these units will be owned by an individual. They will have the same incentive to maintain their homes than any other single-family homeowner would and they will have some revenue from their rentals that homeowners would not have to maintain it. The Chapel Street bridge seems to be a big point of contention and everybody seems to have an idea of where it ought to go other than where it has been proposed. He said they didn't feel like they had the right to tell the City where the bridge should go. When they got involved in this project the City had already determined where they wanted it to go, the process was under way and it will be needed whether this project is approved or not. If the area is built into single-family homes there will be even more need for the bridge because the traffic surveys all show that there is more traffic from that type of use than there would be from a resort. He asked people to stop talking about the Chapel Street bridge with regard to their application. It has nothing to do with them. They will accept the bridge wherever it is. With regard to the revenue studies it is important to remember that revenue generated by the resort is greater than what is generated by private homes but there is another component and that is the fact that the impact on city services is much less for the property as a resort than for homes because these people aren't going to school and having the same municipal uses that would be

required for a private home subdivision. 459 homes sound like a lot. This is a 10-20 year development and it's a lot of acreage. He said Entrada is 1,000 units and it has taken 20 years to develop. That is 50 units a year. He said they divulge that it was their intent to do that many units over 15-20 years and they felt that was the honest way to present this. This property is not in the historic district but it has an effect on the historic district which is entirely view shed related and they have worked very hard at every level to take those view shed issues into their calculations. They have made serious modifications of phases 1, 2, 3 and 4 to protect that view shed. Everything else that has been said is not appropriate because they are not in the historical district. He said in regards to gated communities if they want them to be gated in they can. He said that it was mentioned that Rachel Drive is a better place for this but they don't own property there. This is the property they own. There are people on Rachel who would probably oppose what they are proposing. With regard to change in the General Plan this is a contemplated use of the General Plan and they think it is exactly what the General Plan intended and they did not make that decision on their own and they have worked with Staff, the TRC, the Heritage Council the EDC and they all told them that this is what the General Plan contemplated. He said that they did a traffic study and they are scientific and were done by engineers that do this for a living. Those traffic studies show that this proposed development will have less traffic impact then the other intended or proposed usage for this property would be. With regard to proximity of rentals near private homes, the only contiguous adjacent private homes are the subdivision that this same developer developed and they are not worried about this interface. They are not and most of the residents are not.

- Herb Basso asked about the number of ATV's verses bikers and hikers that will come.
- Joe Platt said they will do a very good job of researching that. There are lots of people that have an aversion to motorized vehicles and if he owned a unit there as he intends to he would be on a pedal bike.
- Herb Basso said that the bicycling and hikers were about 12 to 1 to motorized vehicles. He asked if the developer would be willing to work with the City to continue access to the South Hills.
- Mayor Rosenberg said that there was already access established. None of that changes.
- Joe Platt said they have already expressed a willingness to improve the road and do other things to improve the area.
- Herb Basso asked if there was a plan for servicing bicyclist and would other things be open to the public.
- Joe Platt said that it is their intention that everything at the resort will be open to the public.
- Matt Ence said that the development agreement that we are considering tonight actually has some things added to it to address specifically the amenities and their availability to the public.
- Herb Basso said that will maybe help control the visitors out there to keeping down the trash.
- Nate Muno said that he is a local contractor and he said he doesn't think enough has been said about the applicant. He said he has never seen someone come forward and take care of you like this developer in all the years he has been a contractor. That impressed him. There is something special about Santa Clara. If the development is not done exactly right then people won't want to live there. It needs to be a developer that can do

the proper planning and take care of the hillside. He has seen this developer change everything and modify things to what Santa Clara deserves. He said they will make it better than what it was. They will preserve and make it have better control.

- Rex Oliver, Lava Ridge Road, is Chairman of the Economic Development Commission. He asked what the current zoning of the historic district is.

- Corey Bundy said the zoning is R-1-10 with some mixed uses in it.

- Rex Oliver asked if there was a commercial overlay of sorts.

- Corey Bundy said the mixed use allows commercial types of mixed use.

- Rex Oliver said that we see the historic district of being a tremendous resource for economic development in Santa Clara. The EDC is tasked with the job of building an viable economic resource here in the City. We are very limited in our commercial capabilities in the zoning that we have because of the lack of commercial acreage that is zone for that purpose. He said they do see the historic district being a significant part of what they hope to have happen in the City. They believe a significant amount of commercial opportunity will develop in the historic district under the regulations and laws that are put forth by the City to be able to have that happen. The EDC really likes this development for the reason that it is going to bring a significant number of people visiting the area. The EDC has been discussing a variety of different opportunities to capitalize on the resources we have. One of them is the petroglyphs. One of them has to do with mountain biking. He spent time visiting with the owner of Red Rock Bicycles. He said that our area is world class when it comes to mountain biking. People from all over want to come here to enjoy this resource. They won't move here necessarily. With this zone change enabling this resort to go forward the EDC sees this as a tremendous opportunity for visitors to come and businesses to open along this historic district to serve the visitors. That will in turn bring the needed revenue to the City. The BLM has committed \$120,000 to improve the trails in the South Hills and the Santa Clara River Reserve and to establish miles of new trail. St. George is getting ready to approve a mountain bike park, which is adjacent to Santa Clara in the wash by the aquatics center. It will be 62 acres and will be one of largest mountain bike parks in the nation. Taking advantage of these resources will enable us to become the city that we feel we can be without negative impact to what is historically here. He said he has never witnessed high levels of traffic with exception of Swiss Days. He said that traffic is a matter of perspective. The EDC supports this zone change and this development and they believe it will be a very positive change for this city. He said there was concern expressed about what kind of people this will bring. He asked what kind of neighbors are we going to be.

- Mayor Rosenberg said that there is going to be a quick break. (7:33-7:41 p.m.) He thanked the audience for the respect shown at the meeting. He said he had a question for the developer. He asked what made this project different from some of the other short-term rental projects around the area.

- Patrick Manning said the key difference is the operational standpoint and the CC&R standpoint. The controls in place such as the landscape that is controlled by the hotel operator, the exterior building material is controlled and managed by the hotel operator. There is a definite level of maintenance across the entire project. Not only the landscape and the exterior and the amenities and the common area but also the interiors (if they are part of the rental pool). Everything is run off of a single CNL. He said he is passionate about this location because it is about the downtown Santa Clara and the South Hills. Mountain bikers want to be in the South Hills not in a hotel in St. George. They want to

pave the road out there and put up a fence to stop the scarring on the hills and doing a lot of those things and they are looking forward to making things better and it will be better on the noise and dust from where we are today.

- Jarett Waite said that one reason that short-time rentals in the Heights have been successful because there are amenities there, a grocery store, gas nearby so the neighbors don't see much impact because they stay there. How will the developers keep the people from invading the downtown and ruining it.

- Patrick Manning said there vision will be poolside cabana type open air restaurant, a lazy river, mountain bike rental and ATV and an ongoing shuttle to drop people off downtown and keeping traffic down but keeping people in Santa Clara.

- Mayor Rosenberg said that Council has heard from the developers, comments from residents tonight, from the Economic Development Commission, had the opportunity to review Planning Commission minutes and recommendation as well as the development packet that was submitted. He asked if the Council had some discussion.

- Ken Sizemore said he had a couple of question for our legal counsel. The way the agenda is structured, Council is considering the zone change as one item and the development agreement as another item. Last time this was on the agenda he was counseled that the development agreement was part and parcel of the zone change and we couldn't piece meal the zone change from the development agreement. Can we consider the zoning change independently from the development agreement or do we discuss the development agreement as part of the zone change?

- Matt Ence said that the answer is that they are interconnected and the Council can take them how they want. If there is an approval for the zone change then we would expect at some point there would be an approval of the development agreement as well but it does need to be discussed in addition to the zone change amendment. If the Council decides not to approve the zone change then the development agreement is mute. How we proceed depends on what the Council wants to do.

- Ken Sizemore said he has a number of questions about the development agreement. He doesn't know when it is appropriate to discuss that.

- Mayor Rosenberg said it can be discussed concurrently but they have to be separate motions. The development agreement was not part of the Planning Commission review. That is strictly a City Council function. As far as questions, since the two are connected it is fine to ask those questions now. Matt Ence is prepared to answer questions about the development agreement and the applicant is also here and can answer.

- Matt Ence said if it would be helpful he can put the development agreement up on the screen.

- Ken Sizemore said that there have been changes to the development agreement draft so have any changes been made to the one the Council has and can those changes be summarized.

- Matt Ence said rather than summarize them the Council can just look at them now. The changes to the development agreement boil down to 2 categories. One of those is that there were some changes related to how the city and the developer would share the bridge costs. There has been some revisions to address that factor. Since the Planning Commission made it's decision on the short-term rental use and established it's conditions and since the developer pulled phase 1 out of the short-term rental use, we had to make some changes to reflect those approvals in the development agreement. If the Council has any concerns or revisions they want to see tonight as well we can discuss

those too. The development agreement is a supplement to the zoning ordinance in the sense that it's a voluntary agreement that the developer enters with the city where we layout in more detail how the development will take place beyond what is set forth in our ordinances. That is helpful where there are multiple phases and infrastructure that need to be constructed it is helpful to have a road map and that is the purpose of a development agreement. It doesn't supplement the City ordinances or replace the requirements of the City ordinances or the approvals. It just supplements them. He went to the first section that was modified on page 5 section 3B. It is discussing the development of phase 1. "Phase 1 will be platted as single-family homesites and constructed as craftsman-styled (similar to the Sycamores parade home dwellings). However, developer previously applied for and then withdrew an application for conditional use permit for short-term rentals in Phase 1, and as a result reserves the right to submit a new conditional use permit application, for future review by the City for all or a portion of Phase 1 to be operated as short-term rentals managed on-site." That is recognizing the fact that the developer withdrew that application for the short-term rental use on that phase. He said that Patrick commented to him today that if phase 1 does not go forward with the short-term rental use that they will not limit that to the craftsman style homes it will just be custom homes.

- Joe Platt said that because it's a permanent residence they didn't want to tell someone it has to be craftsman. The property owner would be able to build the home they want to.

- Matt Ence said the requirement would still be that at some point in the future if they wanted to apply for short-term rental use they would have to comply with this and have that design in effect. If they build phase 1 and it's custom homes under this development agreement they are not going to get short-term rental use.

- Joe Platt said that anything that happens on phase 1 they are going to have to come back before all the bodies and have public hearings and everything else.

- Matt Ence said the withdrawal of phase 1 from the application does leave that open for future consideration. He said the next revision was on page 16, #2 Chapel Street Bridge. He said that there was intent by the city to have a covered bridge. After doing some preliminary work on designs it was realized that that was really impractical in terms of being able to get equipment across the bridge so that has changed. The way the bridge costs will be split if this is approved, the developer will bear all of the costs of the aesthetics of the bridge. The structural costs are the City's costs but the non-structural costs will be paid by for the developer. The revisions made are in red print and it lists all the elements and then there are some clarifications throughout the paragraph. (See attached document.) Another revision is on page 18 concerning Recreational and Service Amenities. This section comes out of Planning Commissions approval of short-term rental use for phases 2-8 and one of the conditions that is both set forth in the City's ordinances as a condition of a short-term rental use and in the PC's approval of this particular short-term rental use is that there have to be significant amenities provided for the people who are utilizing the property. The developer has talked a lot about the amenities they intend to have so we essentially took what the developer has proposed for those future phases and in order to require them to actually do those amenities as a phasing of the project continues it was put right into the development agreement. This does allow them some future flexibility. The idea is whatever they do put in will be comparable to what they have proposed at the outset. Some language is put in that makes clear certain things. This is a balance between reassurance to the City that if the approval

is given on the basis of an expectation of certain amenities that something comparable to those amenities will actually be constructed but on the other hand allowing the developer some flexibility as they go through the phasing and as the market dictates. Assuming this is approved that is in everyone's best interest. The next revision is on page 20 concerning Short-term Rentals. This is a clarification because the way the Planning Commission approved the short-term rental use some clarifications were made here that the City recognizes if this is approved and signed that the developer has the right to operate short-term rentals in phases 2-8 based on the conditional use permit approved and they do have the right to reapply for a conditional use permit in phase 1.

- Ken Sizemore asked if it was the City that laid down the template and then the developer helped modify the template that the City provided.

- Matt Ence said that the original proposal came from the developer's attorney. He said he thinks they used a development agreement template that has been used elsewhere in Southern Utah and then adapted that to their project. Then it was reviewed by the City Staff and reviewed by himself, as the City Attorney, and revisions were made by Staff.

- Ken Sizemore stated that the developer has described other developments that have one association, one place where the rental is made and one entity that takes care of the maintenance outside and sometimes inside but on page 2 of the agreement that it says there can be one or more associations of the private owners of lots and parcels in the planned community. He asked the developer what their intent is. Are they going to have more than one association or is there going to be one association?

- Patrick Manning said there will be one hotel operator. But as far as association there may be times when there may be one HOA or another such as for phase 1 would be a different association than those associated with the resort component. Likewise there could be a sub association that would be the single-family homes, which may be in phases 2 or 3 that may have a higher expense, or higher dues to maintain than attached units would have but there would be one hotel operator.

- Ken Sizemore asked where the concept came to do records of survey with road dedications and minor subdivisions as this proceeds through the development phases. It appears that that takes out a lot of public hearing and public review processes if we go the route of records of survey, road dedications and minor subdivisions that don't require public hearings.

- Matt Ence said that this template was used in a different project that was previously approved in St. George. It is unique. The idea is that the phasing that is identified in the PD plan which can't be changed unless the PD plan is amended can actually be used to divide the property into phases preliminary to the subdivision plats for the individual phases being brought to the City and reviewed and approved. There is no less review that takes place because no lots or units can be sold in the project at all until subdivision plats are reviewed and approved through the regular City process. This approach does give the developer some flexibility.

- Patrick Manning said that the main purpose of getting a zone change and a development agreement is that it allows them as a land planner to understand what their land use is what their densities are so they can begin to understand where they can place things, how they can put in roads. He said that if they did that one phase at a time they can't promise the next phase is what the project is going to be. So by having a certain number of units with a certain number of amenity base and being able to understand the topography of the land and where things are going to be placed this allows them to do things with long term

planning but one phase at a time.

- Matt Ence said that what Ken is talking about is not necessarily critical to what Patrick Manning is talking about. What Ken is talking about is an interim procedure that the developer could use between those zone approvals and when the developer comes back with a subdivision plat to break up the property if they want to. Matt said that he is comfortable with it but if the Council has any concerns about it, it isn't necessarily critical to the developer.
- Patrick Manning said he doesn't know how critical it is either.
- Mayor Rosenberg said that one thing that it did for the other project is that it allowed for dedication of open space to happen and stay within compliance of State law regarding dividing land. Is it mandated for this type of project? Probably not. Is it a nice thing to have in there to stay in compliance with State statutes? He does like that.
- Ken Sizemore said his biggest concern is losing the opportunity for public review.
- Mayor Rosenberg said as far as the public review for preliminary plats or any kind of normal residential lot or townhome creation, that doesn't change at all.
- Matt Ence said that pretty much the only thing the developer could do with that particular procedure would be to split off a piece of land and dedicate it for a park or open space, dedicate a road to the City and split it off from ownership of a particular phase or break up the property into one or more phases. It would have to be consistent with the PD plan that would be approved with this. The developer would still have to go through the subdivision process. It does not reduce the number of approvals that they would have to have before they could have a finished product.
- Ken Sizemore said that development agreements identify and put on record what the vested rights are for the developer making this proposal and he wants to make sure that everyone understands the densities that are coming on each one of these phases because he feels it is misleading to lump all the phases together and average out the densities that are being proposed. He read from the application what those densities are: Phase 1, 2.16 units per acre; Phase 2, 2.85 units per acre; Phase 3, 3.01 units per acre; Phase 4, 11.4 units per acre; Phase 5, 6.32 units per acre; Phase 6, 15.38 units per acre; Phase 7, 5 units per acre; Phase 8, 14.33 units per acre. He said that he wants everyone to understand that if we approve this application and development agreement those are the vested densities that have been approved by the action of this board tonight. He said the average density that has been stated is 5.5 units per acre. He said the other thing that concerns him is that in any of the reviews that has been talked about and presented to the public this has never come up from page 14, section R, "City acknowledges that Developer may develop or permit development of an aggregate processing plant and sell the products of such operation within and outside the Planned Community, subject to obtaining a conditional use permit and complying with other requirements for such operation as set forth in city ordinances and other applicable law." He said he has never heard any discussion about having an aggregate processing plant on the site. He would like that clarified.
- Patrick Manning said that when they go in a develop they like to create some intimate spots and as material is being removed to get things down it has to go somewhere and that's covered under that to some degree. He said if that was to be stricken from the agreement they are okay with that but that is part of developing that material is being removed.
- Ken Sizemore said that typically it gets removed and processed somewhere else.
- Patrick Manning said that it is probably their attorney protecting them a little more than

they need protection on.

- Mayor Rosenberg said that this is not entirely a new precedent. The City has approved other subdivisions that allowed the developer to set up a crusher, a processing plant instead of having to haul the material away increasing construction traffic and loading up road base and materials and hauling that back in. They have to go through the conditional use permit for this to go through.

- Matt Ence said that in terms of vested rights the only thing this does for the developer having this in the agreement is putting everyone on notice that they might apply for this conditional use.

- Jarett Waite said he worried about the development starting and then there being a downturn in the economy and the amenities aren't in yet. Can we do something where if there is a downturn at least the amenities are bonded for or they are in so the units that are in have value and can function as they are supposed to.

- Patrick Manning said that there was a schedule that got thrown away when they abandoned phase 1 because it affected how they were going to do things. However their thought is to begin phase 2 and 3 with the purposes of those homes being built first so that construction of the higher density would already be mitigated by the front row. He said they would be happy to have it bonded.

- Jarett Waite said he has spoken to a couple of developers and they are perplexed that the City is asking the developer to only pay for the aesthetics and not any of the construction of the bridge.

- Mayor Rosenberg said that the developer is going to pay for construction as well. The bridge structure elements are inside the capital facility plan for transportation so impact fees that are charged go directly to that bridge. So new homes in the hills or the heights or anyone that has built new home after 8 months ago, a portion of that money goes into an account to fund this bridge. The bridge is necessary regardless of this development. The City is at 99 parcels on south side of the river right now. The next development that comes in (no matter who the developer is) would get hit with the bridge the same as the new project unless the timing is right and they wait for the impact fees to get to the point where we can build the bridge on the City's dime. That bridge is required and it is required quickly. When the hills were developing the City set a goal that when 25 permits issued on the other side of the river we would advertise for an engineer, the design would get going when there was 50, it would be in construction by 75, that the bridge would be done when that 100<sup>th</sup> permit came about. The developer is paying for upgrades to the bridge, which was entirely voluntary on their part. They wanted to do something that would add to the downtown area. This bridge has to function as a totally functional highway bridge. The Gates Lane bridge is limited on load capacity. It was built for development by a developer for a specific development. There is load and width limitations on it. The new bridge is going to be built to highway capacity. It will carry full highway loading. It will have the full lane widths. It will have pedestrian facilities on both sides. This bridge will be a major primary access for carrying heavy equipment that the other bridge really can't. He talked about the location of the bridge. 10 or 12 years ago the City contracted an engineering firm and they looked up and down the river for potential bridge locations. A study was done. He talked about the future roads shown on the Road Master Plan. There are a grid of streets that are proposed through the valley to facilitate traffic. The Chapel Street bridge is by far the less expensive and less right of way required so fewer properties are being impacted. The planning for this has been

done and put into the City's Transportation Plan. It's been done for a long time. There is a reason why it's there. There is a lot of work and planning that has gone into that location. Not just recently and not part of this project.

- Jerry Amundsen said he has been concerned about this for years. He said when we get more homes anywhere on the other side of the river if there isn't a secondary bridge, how are those people going to get to their homes or out of their homes if there is a flood. It has been his concern for 7 years that we have something.

- Mayor Rosenberg added that the Chapel Street site is very near the irrigation diversion. The diversion was put there for a reason. There's a large natural bedrock drop that happens right there. The new bridge is being located so the foundation is in that rock which is really important. We aren't going to have to worry about a tree getting clogged in this bridge. It can stay open without putting the track hoes on it. He explained the structure of the new bridge and talked about and showed the map.

- Joe Platt said that it is not the developers understanding or intention that they get to do anything without coming back before all the public bodies. Everything they do has to come back for approval and if Council has a concern that the developer hasn't put enough amenities in yet that would be the time to raise that issue as the developer is given or denied approval for that next phase.

- Jarett Waite asked if the developer has figured out what the maximum occupancy would be with all of the units.

- Patrick Manning said they are averaging a 2 ½ bedroom per unit so it could be 4 or 5 per unit occupancy.

- Tode Hafen said she has been silent publicly because of conflict of interest. She said she feels like she needs to express herself. As City Council they are charged with making our city safe and vibrant and fiscally responsible. That is something they take seriously. She said she reads all of her emails. She has read the minutes. Her thought comes to the downtown. She said this comes to change. She said 5 years ago there were 30 rentals in the historic district now if Denise's figures are right there is 62 rentals. What is downtown Santa Clara going to look like in 10 years? Three things can happen to our downtown: staying the same isn't one of them. There can be more rentals. There can be higher density property and that isn't what we want to do. We could have more single-family homes but she doesn't see that as a viable option. There hasn't been much demand for single-family homes on Santa Clara Drive. Higher density is not really an option either and that has been restricted in the historic district. There are still properties available in the downtown area. High density has been taken away and single-family homes aren't in demand basically you come down to a businesses. People don't object to businesses in downtown. How are we going to make that happen? In order to put a business downtown there has to be a way for that business to be supported. We have to have more businesses. She visited with Jeriah Threlfall, who is a resident in Santa Clara and is the development director of Washington County Economic Development. He validated her thought process. She asked if it would be a game changer for businesses is the project went in and he said it would. She knows that people don't want change and she gets it but if we don't have enough to bring in some tourism to support businesses we are sacrificing our downtown for something else. There has to be a way that someone can put a business in downtown Santa Clara with some degree of confidence that it can be successful and she can't come up with any other way that can happen. She understands the concern with traffic. She talked about the traffic studies and most of the

traffic on Santa Clara Drive comes in before Gates Lane. It is coming in from the other end. Traffic will take the path of least resistance. Anyone is in a hurry they can take other paths that are faster. We want to take command of our own roads so if we want to develop and use our roads for our own traffic then let's do it and if that gets too busy those other people can go the other way. She feels like all the ATV's and bikes and all that traffic to recreate are already there. She doesn't think the project will really attract more of that. The recreation traffic is going out to the hills anyway. This project will facilitate those so they will stay there and spend money in our town.

- Jerry Amundsen said he had exceptions to some of the comments that were made. He said that even though some of the Council lives on the Heights they are still part of this. Everyone has a little bit of the revenue generating development throughout the City. He is concerned about people not being willing to live next to a short-term rental development. There are a lot of assumptions that are made to fit the argument but there are hard numbers, like the traffic study, that say that the levels of service do not go down appreciably. Concern about construction going on for the next 10-20 years, whether it's going to be a resort or single-family homes that is still going to happen.

- Jarett Waite stated that this is a difficult decision and not one he takes lightly. This will affect our community. He is aware that there are difficulties this will bring but there are opportunities this will bring. He agrees with what Tode said about downtown. He sees the same options she sees. He feels that this development is an option to make downtown work. He is concerned with the number of vacation rental unit the City will have eventually. He said that 2/3 of the population would be increased with full-occupancy of all the short-term rentals. Is that a good thing or a bad thing? He's not sure. That is people that can frequent the City's businesses. How many units do we want to have in our City? We are throwing ourselves into being a hospitality town. Another concern he has is the amount of people we could have in our hills. He imagines it will increase. There will be more trails. Mountain bikes and ATV's can be controlled and that will be okay. He said that this resort will provide employment opportunities, City revenues and the opportunity for personal investments. He would be more comfortable with the development agreement stating about bonding for amenities.

- Matt Ence said he has noted that from earlier conversation and he will make sure that gets in any final decision.

- Herb Basso said he thinks this is good for downtown and for the entire community. When rentals are not watched closely by the owner or the management company we have social problems. Having something here for people to stay benefit you and I. We have a commitment and passion for downtown. Everyone does, no matter where you live in the City. He feels that the resort management model is the key and this will benefit everyone.

- Ken Sizemore said he has thought long and hard about this issue. He echoes what Jerry said. We are all one community. Santa Clara is not just the historic district. We have to make decisions that reflect the 8,000 people here. He said that this 125-acre parcel is one of the largest privately undeveloped parcels in the City. He said that we have very little large undeveloped parcels of land left to deal with in our community and he's not convinced that we should devote 125 acres of that limited land base to one use. He said he is convinced that we need to have a diversity of housing types. The market is leaving single-family detached housing on large lots. The 21<sup>st</sup> Century is going to bring different types of housing types, densities and uses and we need to recognize that as we make

decisions. He is encouraged with the developers and their reputation and abilities but he is not convinced that the proposal on the table is what we want to see for the entire 125 acres.

- Jerry Amundsen said that years ago all the open space was zoned R-1-10 because it was kind of the holding process.

- Mayor Rosenberg said that the flood zone and some of the landslide area is zoned R-1-10 because they are part of the holding zone. That has changed primarily because of geological hazards.

- Jerry Amundsen said that his point is that this was not set as a Master Plan type zone for this area a long time ago. This was just a holding zone.

- Patrick Manning said to clarify something for Ken. Out of the 125 acres there is approximately 15 acres along Santa Clara Drive that is not a part of this development. There is approximately 35 acres of single-family with no CUP. There is about 30 acres of set aside and no build there is about 50 acres. Out of the 125 acres the use for this property is about 54 acres.

- Tode Hafen said we talked about the need for more resources for our community. What happens when the cost of living goes up we have to limit resources or (require more from the residents) which causes both parents to go to work. Another advantage to this we get second homes so they will be taxed as a secondary residence. These homes will be taxed 100%.

- Mayor Rosenberg asked Council if they are ready to make a motion. This is only for the zone change.

**Motion to Approve a Zone Change from residential R-1-10 and R-1-10/RA to Planned Development Residential on 82.7 acres generally located at the south end of Gates Lane on the south side of Clary Hills Drive, and extending upslope and to the south. The project is a Hotel style resort, and approve Ordinance 2017-24.**

**Motion by Herb Basso, seconded by Jerry Amundsen.**

**Voting Aye: Tode Hafen, Jarett Waite, Jerry Amundsen and Herb Basso.**

**Voting Nay: Ken Sizemore.**

**Motion Carried.**

2. Consider for approval South Hills Development Agreement between the City of Santa Clara and Split Rock Holdings, LLC, regarding property proposed to be approved for PDR zoning. Presented by Matt Ence, City Attorney.

- Mayor Rosenberg said there has been significant discussion already on the development agreement and there has been some recommended changes that Matt Ence has noted.

- Matt Ence said he recommends the approval be subject to the change that Jarett has requested to be worked on with legal counsel for the applicant. That is appropriate that their legal counsel has a chance to look at that language about bonding for the amenities.

**Motion to Approve the South Hills Development Agreement between the City of Santa Clara and Split Rock Holdings, LLC, regarding property proposed to be approved for PDR zoning with the assignment that legal counsel will be consulted about additional language to be added concerning bonding for the amenities.**

**Motion by Jarett Waite, seconded by Herb Basso.**

**Voting Aye: Jarett Waite, Jerry Amundsen, Tode Hafen, Ken Sizemore and Herb Basso.**  
**Voting Nay: None**  
**Motion Carried.**

- Mayor Rosenberg thanked everyone for their patience and demeanor tonight.

**4. Adjournment:**

Motion to adjourn by Tode Hafen.

Seconded by Jerry Amundsen with all members present voting aye.

Meeting Adjourned at 9: 25 p.m.

\_\_\_\_\_  
Chris Shelley – City Recorder

Date Approved: \_\_\_\_\_