



PLANNING COMMISSION MEETING STAFF REPORT

DATE OF MEETING: June 11, 2019

PROPERTY OWNER: Zermatt Villages LTD

NAME OF APPLICANT: Summit Engineering Group

AGENDA ITEM: Zone Map Amendment

LOCATION OF ITEM: 875 Bigler Lane

ZONING DESIGNATION: Recreational Resort Zone (RZ)

PROPOSED ZONING: R-1-22

ITEM: 8

Summit Engineering Group, agent for Zermatt Villages LTD, is requesting a zone map amendment that would change the zoning of a property from Recreational Resort Zone (RZ) to R-1-22 zone (22,000 square feet minimum for a single-family dwelling). The property is 5.99 acres and is located at 875 Bigler Lane.

BACKGROUND & ANALYSIS:

Summit Engineering Group, agent for Zermatt Village LTD, is proposing a zone map amendment for 5.99 acres of property that is currently zoned Recreational Resort Zone (RZ) to R-1-22 which allows for lots that are at least one-half acre. The change from RZ to R-1-22 would greatly change the allowed uses on the property. The RZ requires a percentage of commercial uses while also allowing for residential uses. The R-1-22 zone allows for residential with very limited commercial. The property is currently in the Transient Rental Overlay District (TROD), and the proposal is to have the property

remain in the overlay zone so the future dwellings on the property have the option to be used as nightly rentals.

Currently, the property, with its zoning of RZ, is a peninsula on the City's land use map. It is surrounded on three sides by the R-1-22 zone while it is only contiguous to the RZ on its northern boundary. If the zone map amendment is approved, then the peninsula on the map will be eliminated creating a smoother transition between zones. As mentioned earlier, the TROD would remain on the property that would allow nightly rentals of all requirements are met.

One of the reasons the applicant is proposing the amendment is some of the requirements of the RZ are difficult to comply with on a property of this size and configuration. For example, the RZ requires a 100' setback on all boundary lines. When this requirement is applied to the property, the building envelope that remains is relatively small. If the property is developed using the RZ then a possible development would be a large rectangular building that will fill the center of the property. There would not be much room for creativity if a future developer focuses on density and building mass. The RZ code, for properties greater than two acres, works best for large acreages such as the Mountain Spa property and The Homestead property that are 30 or more acres.

The density of a potential development on the property will reduce greatly with the proposed zone map amendment. The current zoning of RZ does not have a density limitation. Maximum density is determined by requirements of the code that include minimum setbacks, maximum allowed height of structures, area for required parking, required open space (55%), maximum massing of buildings based on acreage, minimum size of rooms, among other items. The proposed resort development would need to comply with all code requirements and that would determine the density allowed on the 5.99 acres. If the property is rezoned to R-1-22 then density can be determined. The minimum lot size is 21,780 square feet. This would allow for 10 or 11 lots on the property depending on how much area the street within the development encompasses.

Another consideration is the economic impact of the proposed amendment. The RZ requires commercial development and therefore, most likely, will have a positive impact on the community. This positive impact could be in the form of sales tax, transient rental tax, and property tax. If the property is developed as a resort, then most likely, other businesses in town will benefit from a residual economic impact of tourists spending money in the area. How successful the development is would determine the overall impact on the local economy. The proposed amendment could alter the economic impact, though the impact will be minimized if the future dwellings are rented on a short-term basis. If the units are rented then the local economy would still feel the positive impacts that a resort development would provide, though potentially on a smaller scale. Overall, it appears the proposed amendment will have a positive impact if the dwellings are rented. If the units are used as full-time residences, then most likely the tax impact will be negative. The resort tax should also be considered. The resort tax helps the City gather more tax to help offset the expense of extra visitors to the City. Currently we can collect extra sales tax because we qualify as a resort community. The determination if a city

qualifies as a resort community is based on the permanent population of a city compared transient rental units that are available. If the future dwellings on the 5.99 acres are used as transient rental, then they will help Midway to continue qualifying for the resort tax. If the units are used a primary residence, then they will make it more difficult for Midway to continue to collect the resort tax. The City could consider requiring short-term rental properties if the property is rezoned to R-1-22.

Since this is a legislative matter, the City is under no obligation to amend the zoning map. If the City finds there are positive impacts for the amendment, then the City should allow the zone map amendment.

POSSIBLE FINDINGS:

- The proposed amendment will most likely reduce density on the property and traffic that would be generated from a larger development.
- The property will remain in the Transient Rental Overlay District that allows short-term rentals.
- The future dwellings could be short-term rentals or full-time residences if the property is zoned RZ or R-1-22 unless the City requires rental properties if the property is rezoned.
- If the property is used for short-term rentals then, most likely, the development will have a positive economic impact on the community.
- If the property is used for primary residences then, most likely, the development will have a negative economic impact on the community.
- If the property is developed using the RZ, commercial development will be required.

ALTERNATIVE ACTIONS:

1. Recommendation of approval. This action can be taken if the Planning Commission finds proposal is acceptable and, in the community's, best interest.
 - a. Accept staff report
 - b. List accepted findings
 - c. Place condition(s)

2. Continuance. This action can be taken if the Planning Commission feels that there are unresolved issues.
 - a. Accept staff report
 - b. List accepted findings
 - c. Reasons for continuance
 - i. Unresolved issues that must be addressed
 - d. Date when the item will be heard again

3. Recommendation for denial. This action can be taken if the Planning Commission finds that the request is not acceptable and not in the best interest of the community.
 - a. Accept staff report
 - b. List accepted findings
 - c. Reasons for denial

**STATEMENT REGARDING
REQUESTED ZONING CHANGE FROM RZ TO R-1-22
FOR 5.99-AC PARCEL 14-1429 AT 875 WEST BIGLER LANE IN MIDWAY, UT**

Parcel 14-1429 on the west edge of Midway City is adjacent to the Zermatt Resort across Bigler Lane on the north. Like the Zermatt Resort property, this parcel is currently zoned as RZ. The “problem” is that the parcel is only 5.99 acres in area, with dimensions 395-ft x 660-ft, which makes it extremely difficult to development under the vast and detailed requirements of the RZ zone. For example, the RZ development regulations require a minimum of 55% open space, with at least 100-ft setbacks from the property boundaries. Take that area out of a parcel that is not even 400-ft in width, and there is only a 2-ac spot left in the middle of the parcel to place a resort building and parking lot. Two acres does not begin to meet the standards of a “resort” development for Midway City.

The property owner, Zermatt Villages, Ltd, has owned the parcel since 1996. The desire of the owner company is to change the zoning designation to match the surrounding R-1-22 zone on the south and east sides, and then request a development approval for a single cul-de-sac road extending southward from Bigler Lane, with 10 or 11 lots, each lot being at least 0.50 acre in size as required by that zone.

Since this property is also adjacent to the Zermatt Resort, and is also connected to the Zermatt with a Resort Use Agreement for the resort amenities, the second part of the plan is to request that Midway City grant the designation of the Transient Rental Overlay District on all lots within this new subdivision. The goal for his project is not a standard single-family subdivision, but instead a project of ten (or eleven) large vacation rental homes adjacent to the Zermatt and near the Homestead. These homes will all be investment properties, providing expanded vacation rental options in Midway for family reunions and other large groups that want to rent a large home on a short-term basis.

The benefits to this zone change and proposed development are numerous:

1. Vacation Rental Homes are taxed at full market rates, not the 55% rate for primary residents.
2. Vacation Rental Homes will produce sales taxes and transient room taxes for both Midway City and Wasatch County.
3. Vacation Rental Homes to not send children into the local school system.
4. Vacation Rental Homes bring visitors to Midway who eat at the restaurants, shop in the stores, and spend money with local activity providers,

Other benefits of the requested "down zoning" are:

1. Ten homes will produce less traffic than a larger resort hotel.
2. The entire project (all lots) will be required to be members in the Property Owners Association which will maintain all landscaping and shared facilities on the entire project.
3. All homes will share the architectural styling of a traditional 'Swiss Village' collection of family homes on the mountainside.

In summary, this is a simple request to "down zone" a single parcel to match the R-1-22 zoning of the adjacent properties, allowing for up to 11 large lots on 5.99 acres, while applying the Transient Rental Overlay District designation so that the new lots can enhance the benefits of vacation home investments that will accrue to Midway City.

Legal Description of the Parcel for the Zone Change Request:

COMMENCING West 82.5 feet from the Southwest Corner of Section 27, Township 3 South, Range 4 East, Salt Lake Base and Meridian, and running thence North 511.50 feet; thence East 396 feet; thence South 660 feet; thence West 396 feet; thence North 148.50 feet to the point of beginning.



