MINUTES OF LAYTON CITY COUNCIL WORK MEETING **MAY 3, 2018; 5:32 P.M.**

MAYOR AND COUNCILMEMBERS PRESENT: **MAYOR BOB STEVENSON, JOYCE BROWN, BRUCE DAVIS, TOM DAY, SCOTT FREITAG AND JOY PETRO**

STAFF PRESENT: **ALEX JENSEN, GARY CRANE, BILL WRIGHT, TIM WATKINS, KENDALL WELCH, TRACY PROBERT AND KIM READ**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Stevenson opened the meeting and turned the time over to Staff.

AGENDA:

ADOPT THE TENTATIVE BUDGET FOR FISCAL YEAR 2018-2019 AND SET A PUBLIC HEARING FOR JUNE 21, 2018 – RESOLUTION 18-27

Tracy Probert, Finance Director, stated the City was required to adopt a tentative by May 3, 2018 and set the public hearing to adopt the budget. He reported total budget of all combined funds for Fiscal Year 2019 was $87,248,506. He directed the Council to page 2 which began the summary of all funds and suggested the Council review pages 2-6 to identify revenues and expenditures for each fund. He informed the Council project lists could be located on pages 96-99 and stated $11,000,000 worth of projects were proposed using the General Fund, Utility Funds, RAMP and PROP 1 Funds.

He stated the City was conservative with its approach in using Fund Balance and reported the budget proposed to add five full time positions in the General Fund, 2 ½ full time equivalent positions in the Enterprise Funds (water fund) directly related to converting to a monthly bill. He continued the other major item was the water rate increases which had been identified in the Water Master Plan and Rate Study Analysis. He asked if there were any questions from the Council.

Mayor Stevenson announced other meetings could take place prior to June 21, 2018 to discuss the budget. Mr. Probert shared a utility bill insert which to be included specific to the transfer from the Utility Fund to the General Fund. Mayor Stevenson suggested holding a meeting on Thursday, May 10, 2018 at 7:00 p.m.

MAYOR'S REPORT

Mayor Stevenson stated the Clipper was anxious to begin working on the Layton Today publication and suggested Councilmember Freitag take the lead and coordinate the project with the Clipper. He requested suggestions for a cover story and a discussion followed.

Alex Jensen, City Manager, mentioned Staff had expressed concern with the solicitation letter being sent to businesses and a discussion followed. Mayor Stevenson requested Steve Garside, Assistant City Attorney, review and make appropriate changes to the solicitation letter.

DEVELOPMENT AGREEMENT AND REZONE REQUEST – WALL BROTHERS CONSTRUCTION REZONE – M-1 (LIGHT MANUFACTURING/INDUSTRIAL) TO CP-1 (PLANNED NEIGHBORHOOD COMMERCIAL) AND C-TH (CONDOMINIUM/TOWNHOUSE) – RESOLUTION 18-20 AND ORDINANCE 18-11 –

APPROXIMATELY 1000 EAST 3000 NORTH

Tim Watkins, City Planner, shared a visual illustration identifying the location for the proposed rezone and reviewed the request with the Council. He stated the property consisted of 7.37 acres and was currently located on the south side of 3000 North (Highway 193) between North Fairfield and North Hills Drive. He identified the current uses in the area, intensive heavy manufacturing, light industrial and commercial and pointed out the transition to single family residential including smaller lot single family residential PRUD. He reminded the Council of the recently approved annexation, rezone and subdivision approval of Mecham Meadows PRUD.

He clarified the rezone request was for 1.87 acres fronting Highway 193 to be rezoned commercial and the remaining 5.5 acres to be rezoned for condominium/townhomes. He mentioned the current General Plan reflected zoning of industrial; but explained the Layton Forward process reflected how the land use could transition from residential to a moderate density residential and commercial to the industrial uses.

He shared an illustration identifying the recent rezoned property known as Mecham Meadows PRUD adjacent properties and explained the need for a possible future road providing connectivity to Highway 193. He explained the timing associated with development on the site would relate to the timing of other development and infrastructure associated with adjacent development in the area. He shared a concept plan illustrating the commercial development along Highway 193 and townhomes with the required open space. He stated the proposed development agreement would agree to terms related to future street connection, utilities, and addressing appropriate safety pertaining to access with Highway 193 and to explore consolidated access for properties to the west. He mentioned the additional height limitation within 40 feet of any offsite residential zoned property intended to decrease the height from 3-story to 2-story townhomes to eventually single family residential. He added this would be subject to the Planning Commission exploring possible design standards.

Mayor Stevenson asked if the developers had initiated discussion with UDOT pertaining to access. The developer responded the City had communicated with UDOT which resulted in circular access with right turn only for neighboring parcels as well. Mr. Watkins reported the City's Engineering Department had made contact with UDOT and suggested the area plan could reflect the intent and consolidated access as it had expressed agreement with the developer's intent.

Councilmember Freitag inquired about the location of the garages and Mr. Watkins explained the cars would rear load with units fronting the open space. Councilmember Petro clarified this project and phase 3 of the Love property would be constructed at approximately the same time to allow connection of the streets. Mr. Watkins added this proposed development was dependent upon the utilities and street for the Mecham Meadows development on the Love property.

Councilmember Freitag inquired if the development agreement restricted the developer from moving forward with development until Phase 3 of the Love property had started. Mr. Watkins believed the development agreement only called the need to extend the utilities and the street which was all that was required for fire access. He emphasized the development would not be able to meet site plan approval without two access points. The Council discussed specific language in the development agreement addressing the street connection and utilities with Mr. Watkins.

Tyrell Wall, Wall Brothers Construction, developer, stated the property was currently under contract to purchase and wanted to ensure it could be zoned appropriately prior to closing. He clarified development wouldn't begin immediately; but wanted the zoning in place. Mr. Watkins suggested the Council had appropriately questioned whether the development agreement would support commercial development as the first phase and the discussion continued specific to utilities.

Bill Wright, Community and Economic Development Director, emphasized once the zoning was in place specifics related to the utilities and development agreement could be addressed at a later time. He directed the Council to 4.2.2 of the development agreement which spoke to culinary water and reviewed the language which mentioned the system improvement and may be eligible for a payback. He indicated the developer had expressed concern regarding that language. Gary Crane, City Attorney, clarified the system improvement was generally paid back from collected impact fees.

Mr. Wall also inquired about the language of a consolidated access for adjacent highway-fronting properties to the west in 4.2.1. He believed the road benefitted additional property owners and suggested it should also be eligible for a payback of that improvement and a discussion followed

Mayor Stevenson asked if there were any questions from Council pertaining to the rezone and there were none.

Mr. Wall informed the Council the development agreement was being required in conjunction with the rezone. He stated he wasn't ready to sign the development agreement at this time until clarification of the paybacks specific to the public utilities within the agreement have been settled.

Councilmember Freitag suggested the Council table the item during the meeting for two weeks and a discussion followed. Mr. Wall reported he had a deadline as he was supposed to close on the property purchase tomorrow. He stated he was willing to accept the agreement if he had additional guarantees on some of the paybacks and explained his costs associated with boring under Highway 193 to loop the water system. He believed there would be others benefitting from that as well as the future street connection. Alex Jensen, City Manager, stated project improvements become part of a system and explained the difference between project and system improvements. He indicated developer's project improvements were not eligible for payback. He continued although others might benefit from the improvement, said improvement was required for the developer's project, thus it wasn't eligible for a payback and a discussion followed.

Mr. Wall requested the Council table the rezone and development agreement for two weeks to address concerns within the development agreement.

AMENDING LAYTON MUNICIPAL CODE – TITLE 19 (ZONING), SECTION 19.02.020 (DEFINITIONS) REMOVING "MINI-STORAGE UNITS" AND ADDING "CONTRACTOR STORAGE YARD", "HEAVY EQUIPMENT RENTAL/SALES AND STORAGE", "SELF-STORAGE FACILITY", AND "WAREHOUSE AND DISTRIBUTION", REPEALING AND RE-ENACTING SECTION 19.06.140 "SELF-STORAGE FACILITY REQUIREMENTS", AND AMENDING TABLE 6-1 AND 6-2 "TABLE OF LAND USE REGULATIONS" – ORDINANCE 18-12

Mr. Watkins reminded the Council it had directed to Staff to review and study Outdoor Storage, Mini-Storage and Indoor Storage land uses in preparation to amend Title 19 in December. He shared a visual presentation and directed the Council to the Study and Analysis included in the packet. He pointed out the City continued to accept applications while the study was being completed. He pointed out there was good coverage with these types of facilities within the community and surrounding communities. He informed the Council of a current trend to repurpose big box stores as storage facilities which can create a detrimental impact and shared some examples. He mentioned another emerging trend was multi-story facilities and the study reflected this wasn't an appropriate use in commercial or town center areas, but more appropriate for manufacturing and industrial use areas.

He referred to a slide identifying the options for consideration and reported the Planning Commission had recommended Option D which identified where the facilities should be allowed and what conditions or limitations would be imposed. He reported it had recommended self-storage facilities only be allowed in the Manufacturing/Industrial (M) zoning districts and prohibiting them in Commercial (C) zones. He reviewed the criteria in Option D and proposed definitions.

Councilmember Freitag requested clarification on future developable areas and asked if the City had considered "capping" the number of facilities allowed in the City. Mr. Watkins responded the study provided a supply/demand analysis specific to Layton. He mentioned Clearfield City didn't allow new self-storage facilities and reported on what other neighboring cities allowed. He concluded there was continuing demand with occupancy rates sitting at 95%. He suggested continuing demand in the 80% rate.

Mayor Stevenson expressed concern Layton City could become the focus for this type of development since neighboring communities no longer allow this usage. Councilmember Freitag stated he didn't want Layton City to become the storage capital of Davis County. He suggested the City was at its market match and recommended the City consider limiting future development of these facilities and posed the question as to how storage facilities benefit the City.

Mr. Wright explained Staff's approach in completing the study was to determine the format for storage, rather than supply/demand, and reviewed previous trends and a discussion followed. Councilmember Brown understood the need for these types of facilities but expressed agreement with Councilmember Freitag a time would come when there was enough storage units to service Layton City residents and they were no longer allowed.

Mr. Wright indicated spacing requirements would accommodate for that regulation. He explained if the City didn't have the 600 feet spacing requirement, whatever vacant land was zoned M-1 could be redeveloped with storage units and referred to a visual illustration. A discussion took place regarding spacing requirements.

Councilmember Brown believed the available areas for this type of development would only allow six more units based on the 600 feet proximity cap which was included in the proposed title amendment. Councilmember Freitag again supported designating a cap. Mayor Stevenson added storage unit developers look at a market area and believe the City could accommodate more of these because neighboring communities have limited them.

Mr. Jensen suggested the study attempted to accommodate demand for storage facilities and suggested the Council consider the saturation point. He believed the saturation threshold wasn't a planning issue and believed it was more of a political issue and a discussion followed.

Councilmember Petro suggested the Council ask if there was a better use for the vacant land compared to the development of storage units. Mr. Watkins stated one of the proposed modifications was that storage units not be allowed for any residential use of primary commercial use, only commercial business use and explained some businesses relied upon refrigerated storage for different products and suggested there was an indirect benefit to local businesses.

Mr. Wright added off site storage was used in more urban areas such as downtown Salt Lake for paper document storage and indicated this would be a trend. The Council continued to discuss the options for consideration. Mr. Jensen pointed out some developments have detrimental or secondary impacts to the City and cautioned the Council on basing its decision on accommodating any proposed use based only on its economic return to the City.

Councilmember Day asked how the Accident Potential Zone (APZ) affected development for storage units. Mr. Wright indicated one of the alternatives was to exempt the manufacturing properties already located within the APZ from the three-story requirement. He added there was very little property still zoned industrial within the APZ. He reported there was a conflict between having more intense use and the APZ which allowed less intense development. He reported there were some properties identified on the map which were zoned industrial in the APZ, and some of those currently had storage unit facilities on them or were currently being built on the property.

Mayor Stevenson expressed his opinion the market would allow the use depending on costs. He believed the City was controlling it appropriately and property values would dictate rental costs and the law of supply/demand would determine need. Councilmember Brown believed a different product was desired than traditional storage.

Mr. Wright reviewed the two different versions of the ordinance with the Council: one was the Staff's recommendation which had the exemption for the APZ and design standards. He indicated if this was adopted it would be effective Thursday, May 3, 2018. He continued the second option was the Planning Commission's recommendation didn't include the APZ exemption and would be effective immediately except the requirements of those areas that had 33,000 square feet of multiple stories, which would be effective 30 days later. He reported there were some applicants that were in the process of putting together site plans for industrial zoned properties. He stated this would allow them 30 days to submit engineered plans and obtain approval.

Councilmember Brown clarified both draft ordinances prohibited storage facilities from being developed in vacant big box properties and Mr. Wright responded the use was not allowed in commercial zones.

Mr. Watkins directed the Council to Staff's recommended version and reported a language change to 2.i. He indicated Staff had received feedback that electrical outlets were helpful to certain business uses needing refrigeration for stored items. He indicated this information wasn't available at the time the Planning Commission was drafting its version of the proposed ordinance. He emphasized the language would focus on the intent that refrigeration not be allowed for residential living purposes and not to operate as a primary business use. There were no questions from the Council.

The meeting adjourned at 6:50 p.m.

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Kimberly S Read, City Recorder