

**MINUTES OF THE CITY OF HOLLADAY
PLANNING COMMISSION MEETING**

Tuesday, August 16, 2022

5:30 p.m.

City Council Chambers

4580 South 2300 East

Holladay, Utah

ATTENDANCE:

Planning Commission Members:

Howard Layton, Chair

Martin Banks

Chris Layton

Ginger Vilchinsky

Karianne Prince

Dennis Roach

Paul Cunningham

City Staff:

Jonathan Teerlink, Community Development Director

Carrie Marsh, Associate City Planner

Brad Christopherson, City Attorney

WORK SESSION

Chair Howard Layton called the Work Session to order at approximately 5:30 p.m. The agenda items were reviewed and discussed. Community Development Director, Jonathan Teerlink, reported on legislative items to be considered tonight. There were two similar rezone applications from Residential Multi-Family (“RM”) to Professional Office (“PO”). Both involve existing office buildings with one on Highland Drive and the other on Murray Holladay Road. The property on Murray Holladay Road is unique. Previously, the Commission reviewed the application in the context of the General Plan, which supports office spaces. The subject property is in the Medium-Density Residential Stable zone, which does not foresee office uses and is an issue where the General Plan does not conform to a zone that was recently created. Until about four years ago, the General Plan supported the RM zone because it had office uses built into it and previously was a mixed-use zone. Mr. Teerlink stated that the PO zone is supported by the General Plan but in a different manner.

Mr. Teerlink reported that in 2016, the City Council found that the majority of the uses that are currently allowed in the RM zone were fairly restrictive, specifically medical and dental uses, which were omitted from the Professional Office description in the RM zone. For some time, the County has allowed the RM zone to be a mixed-use zone and found that office uses and multi-family housing units were compatible but with a very restrictive set of allowed uses. The Council at the time wanted to allow for existing professional office buildings to be more sustainable, continue to attract tenants and professional uses, and established a separate zone. All other standards remained the same with the exception of the expansion of the use table.

Commissioner Chris Layton suspected that there will be more zone change requests to PO because it allows greater uses and a wider variety of tenancy. Mr. Teerlink stated that applicants they have

seen recently have approached the landlord wanting to pursue a medical use. They apply for a Business License with the City but are told by the Business License Official that is not allowed with the current zoning that is in place. Some office building owners understand why the PO zone was created but also see a need for housing, which the County is pursuing. There had been speculation that building owners can allow contracts to expire, raze a building, and rebuild apartment units.

Agenda item four was identified as a review for the benefit of the Planning Commission on the Moderate-Income Housing Update that was passed recently by the State Legislature. HB-46 replaces a previous bill addressing the municipal requirements to provide a path to get to moderate-income housing levels that are acceptable within the State. At the next meeting, a draft will be available for review with a recommendation to be forwarded to the City Council for adoption. Mr. Teerlink remarked that the Moderate-Income Housing Plan must be adopted by October 1. In reviewing the calendar and agenda items for both the Planning Commission and City Council, staff requested that a Special Meeting be held on August 30 or 31. Once a recommendation is made to the City Council, they will need to allow for public comment, review the draft, and adopt it before the October 1 meeting. The Special Meeting was tentatively scheduled for Tuesday, August 30 at 6:00 p.m. Meetings for September were scheduled for the 13 and 27.

Agenda item five involved an ongoing discussion on off-street parking requirements. Additional changes were made based on comments from the last meeting.

The Work Session adjourned at approximately 5:45 p.m.

CONVENE REGULAR MEETING – Public Welcome and Opening Statement by Commission Chair.

Chair Howard Layton called the Regular Meeting to order at approximately 6:00 p.m. and read the Commission Statement.

PUBLIC HEARING – ACTION

- 1. Zone Map Amendment – Rezone from RM to PO - 4141 South Highland Drive Review and Recommendation to City Council on a Proposal by Property Owner, Highland 4141 LLC, Tucker Nipko as Agent, to Amend the Holladay Zone Map at this location from the current, Residential Multi-Family Zone (“RM”) to the Professional Office Zone (“PO”) for this Existing Office Building Property as per Legislative Review Procedures set forth in Holladay Ord. 13.07.**

Community Development Director, Jonathan Teerlink, presented the staff report and stated that until 2016, the Residential Multi-Family (“RM”) zone was a mixed-use zone that allowed for residential and office uses. The City Council at the time created a Professional Office (“PO”) zone specifically for existing office buildings for the purpose of expanding the land use table and allowing office users to expand into spaces that were vacant or needed to be used for medical or personal services. When approving the zone, the Council did not go throughout the entire City and rezone all office buildings but waited with the intent of each property owner having the opportunity to apply. As a result, the City periodically sees property owners request the rezone.

The first request was for property located at 4141 South Highland Drive, which is a large existing office building fronting directly onto Highland Drive. The Highland Drive Master Plan (“HDMP”) is the long-range document that guides zone changes. Segment A is a zone that specifically looks for and controls a transitional-type land use pattern on Highland Drive. It acknowledges residential and commercial uses. Segment A runs from 3900 South to Murray Holladay Road. Mr. Teerlink noted that the City only controls the east side of Highland Drive with the west side being in Millcreek. Staff recommended that the Planning Commission recommend approval to the City Council in this location.

The second location is on Murray Holladay Road adjacent to the Holladay Lions Complex and is in the Medium-Density Residential Stable (“MDRS”) District, which is specifically for residential uses in a stable long-range land use pattern. It was noted that significant change was not expected in the medium-density ratio. The MDRS District foresees the RM zone being the applicable land use zone. At the time the General Plan was written, the RM zone allowed professional office buildings and office buildings to be included in the zone so that it was conforming. Not much had changed in that regard in terms of land use patterns, especially in this location. Staff suggested that the Planning Commission recommend approval of the proposed rezone to the City Council in this location as well.

In response to a question raised by Commissioner Roach, Mr. Teerlink clarified that the PO Zone does not allow for residential development.

The applicant for the property located at 4141 South Highland Drive, Tucker Nipko, gave his home address as 1086 West 3050 North in Pleasant View. He stated that since he purchased the building, it has always been an office building. He would like to have the opportunity to expand the uses that can locate there and recognize the need for additional medical uses. He considered this to be a great opportunity for him, the City, and prospective tenants. He did not consider the property to be well suited for multi-family development. He felt that the PO zone would be ideal and fits in the area.

In response to a question raised, Mr. Teerlink stated that if the applicant decides, after the rezone is approved, to demolish and rebuild the building, the massing would be the same as is allowed in the RM zone, which is 40 feet. The landscaping requirements would also be the same. It would be a matter of expanding the uses.

Commissioner Banks asked about the existing tenants. Mr. Nipko stated that they are all office-type tenants. There is a phlebotomy school, a law firm, a home-based assisted living care service, a small software school, and a rehabilitation center. Future tenants could be similar and/or expanded to medical users, which the current zoning does not allow for.

Chair Howard Layton opened the public hearing. There were no public comments. The public hearing was closed.

Commissioner Banks asked about the four criteria being applied and presumed that the Commission should rely on the current services assuming that the needs of future medical tenants

will not vary in terms of the types of services that will be required. It seemed to him that the criteria can be easily satisfied to grant the amendment.

Commissioner Roach moved to forward a recommendation to the City Council to APPROVE an application by Tucker Niko to amend the Holladay Zoning Map for 1.9 acres of land, located at 4141 South Highland Drive from RM to PO based on the following findings:

- 1. It is consistent with the goals, objectives, and policies of the General Plan.***
- 2. It is harmonious with the overall character of existing development in the vicinity.***
- 3. It will not adversely affect abutting properties.***
- 4. The facilities and services intended to serve the subject property such as roadways, parks, and recreation facilities, police and fire protection, schools, stormwater drainage systems, environmental hazard mitigation measures, water supply, and wastewater and refuse collection are adequate.***

Commissioner Banks seconded the motion. Vote on motion: Commissioner Prince-Aye, Commissioner Roach, Commissioner Banks-Aye, Commissioner Chris Layton-Aye, Commissioner Vilchinsky-Aye, Commissioner Cunningham-Aye, Chair Howard Layton-Aye. The motion passed unanimously.

- 2. Zone Map Amendment – Rezone from RM to PO – 1660 East Murray Holladay Road. Review and Recommendation to City Council on a Proposal by Property Owner Thomas Reese, LLC, Sharlene Watson, as Agent to Amend the Holladay Zone Map at this location from the current, Residential Multi-family Zone (“RM”) to the Professional Office Zone (“PO”) for this Existing Office Building Property as per Legislative Review Procedures Set Forth in Holladay Ord. 13.07.**

The applicant, Sharlene Watson, was not present. Chair Howard Layton opened the public hearing.

Anita Miner, a neighbor was present with Mrs. Hardman who both reside at 1706 East Murray Holladay Road next to the subject property. They asked for clarification regarding what is allowed by the PO zoning. She asked if the property is currently zoned as multi-family and why there is a business there. Mr. Teerlink reported that there is a business on the subject property that is a medical use. The Community and Economic Development Department granted a Business License to Rising Health with the condition that the applicant make a rezone request with the City. The tenant is the owner of the property. The Business License was approved contingent upon the applicant making an application for the rezone. The office building was built in the 1980s and Salt Lake County at the time allowed for office buildings and residential multi-family development. The office building that is there now and the multi-family development that has occurred around it was at the time harmonious with one another and allowed in the zone. Over time the area has evolved and the City has accepted that situation as an existing grandfathered use. The proposed change is to allow for medical uses rather than just professional office uses.

Commissioner Prince asked why there is a medical use in the building since the RM zone does not allow for medical uses. Mr. Teerlink explained that it was conditioned upon the applicant applying for a rezone. If the rezone request is not granted, the applicant's Business License will not be renewed and they will be on notice that they will need to vacate the building. If the business continues to operate, it will be a land use violation with a fine imposed daily.

Commissioner Banks asked if staff is authorized to grant a Business License on the condition that a rezone is approved. Mr. Teerlink stated that it was an agreed-upon situation since the applicant had already purchased the building and was ready to move in. They recognized that the City Council created the zone specifically for this scenario. He added that the building currently houses professional office users that were legal at the time and that continue to operate. Each tenant is grandfathered and legally non-conforming in the zone. When they vacate, they have to ensure that a similar use goes back in. If a medical use were to try to locate there they would be halted at the application process. A similar scenario has taken place several times in other buildings in the area. The City wanted to ensure that individual spaces are being reoccupied with similar uses to not create a non-conforming situation.

Mrs. Hardman asked what is allowed in the PO zone and if a condominium or apartment project would qualify. Chair Howard Layton stated that changing the zoning from RM to PO prevents multi-family development. Mr. Teerlink explained that the proposed change also protects existing housing and eliminates a developer from replacing apartment units with an office building.

City Attorney, Brad Christopherson, stated that currently the applicants could raze the building and replace it with multi-family using the RM designation, however, once it is converted to PO they no longer have that option.

There were no further public comments. The public hearing was closed.

Commissioner Banks moved to forward a recommendation of APPROVAL of an application by Sharlene Watson to amend the Holladay Zoning Map for .3 acres of land located at 1660 East Murray Holladay Road from RM to PO based on the following findings:

- 1. The amendment is consistent with the goals, objectives, and policies of the General Plan.***
- 2. It is harmonious with the overall character of existing development in the vicinity.***
- 3. It will not adversely affect abutting properties.***
- 4. The facilities and services intended to serve the subject property such as roadways, parks, and recreation facilities, police and fire protection, schools, stormwater drainage systems, environmental hazard mitigation measures, water supply, and wastewater and refuse collection are adequate.***

Commissioner Prince seconded the motion. Vote on motion: Commissioner Prince-Aye, Commissioner Roach, Commissioner Banks-Aye, Commissioner Chris Layton-Aye,

Commissioner Vilchinsky-Aye, Commissioner Cunningham-Aye, Chair Howard Layton-Aye. The motion passed unanimously.

ACTION ITEMS

3. Approval of Minutes – May 31 and July 12, 2022.

The minutes were reviewed and modified.

Commissioner Banks moved to approve the minutes of May 31 and July 12, 2022, as amended. Commissioner Roach seconded the motion. Vote on motion: Commissioner Prince-Aye, Commissioner Roach, Commissioner Banks-Aye, Commissioner Chris Layton-Aye, Commissioner Vilchinsky-Aye, Commissioner Cunningham-Aye, Chair Howard Layton-Aye. The motion passed unanimously.

DISCUSSION/OTHER

4. Election of Chair and Vice-Chair.

Procedural issues were discussed. Mr. Teerlink stated that the election of a Chair and Vice-Chair takes place each year. Nominations were opened.

Commissioner Roach moved to nominate Chair Howard Layton to continue to serve as Planning Commission Chair.

Commissioner Chris Layton moved to nominate Commissioner Banks to serve as Vice-Chair.

Chair Howard Layton expressed a willingness to continue to serve.

The vote on the motion for Chair Howard Layton to continue to serve as Chair passed with the unanimous consent of the Commission.

The vote on the motion for Vice-Chair Martin Banks to continue to serve as Vice-Chair passed with the unanimous consent of the Commission.

5. General Plan Amendment – Chapter 5: Moderate-Income Housing, 2016 General Plan Presentation by Holladay Community and Economic Development Department on Moderate-Income Housing Elements of the General Plan and Statutory Requirements Recently Passed by the Utah State Legislature.

Mr. Teerlink reported that HB-462 was passed this year and modifies a previous bill that requires each municipality to establish and implement a plan to create stable moderate-income housing. The plans are intended to be based on 80% of the Average Median Income (“AMI”). Those numbers are difficult to come by and staff continued to study recent Department of Housing and Urban Development (“HUD”) and census data. The State is trying to help individual municipalities organize the data in a useful way and amend the General Plan accordingly. The General Plan Amendment must be completed by October 1. Cities that do not comply are not prioritized for State funding for specific transportation projects.

Mr. Teerlink explained that every municipality is held to a different standard based on population. The City of Holladay is a Class 3 municipality with a population of 35,000 to 38,000. HB-462 provides a list of 24 items that a municipality can select from. They are specifically geared toward ways a City can identify, create an action item for, and implement a method by which property becomes more affordable/attainable by a developer to create affordable housing. He noted that it could include rent-controlled/deed-restricted type housing.

Mr. Teerlink reported that the menu was expanded this Legislative Session. Previously, the menu was fairly truncated and the City of Holladay picked three, which are still available in the current menu. Staff recently identified five while three are still required. The current Master Plan identifies Accessory Dwelling Units (“ADU”) as one option. The intent is to maintain that as a strategy for low-income housing because the City of Holladay does not have expanses of land on which to subdivide by developers. The intent was to create small incentives when subdivision plats are approved to incorporate moderate-income housing. There is a need to use existing housing stock somehow. ADUs are a good way to address that. Staff proposed to maintain the ADU element and refine it to provide more opportunities than can be considered currently. There are elements of ADUs that prevent properties that want to have Detached Accessory Dwelling Units (“DADU”) but cannot because they do not meet certain lot size criteria, which were provisions of the ordinance that the Council imposed in those situations.

Of the 24 available options, less than six are viable for the City of Holladay. They are far-reaching and deal with funding the City does not have. The City has two projects that are promising with at least 100 units within the next 10 years. For example, Royal Holladay Hills will create moderate-income housing within the City. There are also tax increment and redevelopment funds from the Millrock Economic Development Area (“EDA”).

Mr. Teerlink reported that in the City of Holladay the highest density zone is the Holladay Crossroads Zone (“HCR”), which was approved 1 ½ years ago. It is intended to be for the area near 6200 South and Van Winkle Parkway. It means that property owners would need to be willing to tear down what they have and redevelop. There are no density limitations in the HCR zone so the property owners could come together if desired and work within the design parameters of the zone. Otherwise, the RM zone maxes out at 16 units per acre. It is not a high-density zone and is considered moderate compared to the rest of the County. Staff was hoping for the acceptance of recent amendments to the Office, Research and Development (“ORD”) zone. Recently, the use table for the ORD park was expanded to include residential. There are expanses of zoning in areas between Holladay Boulevard and Highland Drive and 5000 South and 6200 South that staff is petitioned continually about by property owners. In some instances, the lots are as small as 10,000 square feet where an ADU would make sense. The result would likely be a market-rate home with an ADU that potentially could not have been built there previously.

Procedural issues were discussed. Mr. Teerlink stated that the first step will be to create the zone and apply it in the locations where it will be considered. Chair Howard Layton commented that there are numerous options. For those who have moved to the City for its unique character and above-average values, providing moderate-income housing and increasing density may be difficult to accept.

6. **Text Amendment – Chapter 13 Land Use Development Code; Off-Street Parking Requirements, 13.80 Continued Discussion: Review and Recommendation to City Council on Proposed Amendments to Title 13, of the Holladay City Code, Land Use and Development Regulations Updating Minimum Parking Ratio Requirements by Use and Consideration of Allowing Flex Ratio Provisions as Adjustments to Required Minimums. File #01-04-23-3.**

Mr. Teerlink commented that the City's major activity nodes are typically in areas where major intersections meet and are usually established as commercial areas. In addition, underutilized commercial property can be incentivized in a location that is already intensely used rather than in neighborhoods. While ADUs are allowed in R-1 zones, they are looking at a different type of density. For example, the Village is its own activity node with residential density that is limited to 24 units per acre. There is no cap in the HCR zone. The key is to identify activity nodes recognizing that the area is ready for a transition while protecting neighborhoods from encroachment. There is no density cap in the ORD zone as long as the height limitation is met and parking is available. The proposed amendments were reviewed.

In response to a question raised by Commissioner Prince, Mr. Teerlink explained that the previous restaurant drive-up/drive-thru requirement was two spaces for 100 square feet. The proposal was to decrease that to one space. Procedural issues were discussed. Mr. Teerlink stated that other retailers will be interested in having large swaths of parking. An overabundance of parking will accommodate needs during the holiday season. That issue was considered particularly in the Village as a baseline. The City was not, however, looking to have large expanses of parking.

In response to a question raised by Commissioner Chris Layton, Mr. Teerlink stated that Harmons requested more parking than provided for in the minimum and requested a text amendment. As a result, they were classified as a large neighborhood market and the ceiling was increased from 110 to 125 percent. Commissioner Chris Layton commented that the ratio of 2.5 even with a 125% for a general grocer is tight and was why he felt it worked so well on the site. Mr. Teerlink agreed and stated that the overabundance of parking is shared by other users when it is not in use.

Shared parking issues were discussed. Commissioner Cunningham commented that there is a Shared Parking Agreement across the street with the physician's office but the public does not seem to know that. If a shared parking area is open to the public, the public should be made aware of it to encourage use. The possibility of posting a sign to that effect was mentioned. Commissioner Cunningham stated that there is a trend where business owners are banning others from parking on their property unless they are doing business there and backing it up with towing enforcement, which never works out well. Mr. Teerlink commented that it comes down to signage. Staff had discussions with the Council regarding a themed signage package for the Village and stated that signs will be posted once that is established.

Commissioner Cunningham asked what happens in the future when accommodation is given and the Shared Parking Agreement disappears because a new owner does not agree to it. Mr. Teerlink explained that parking agreements are recorded against both titles. It is problematic if new tenants decide there is no longer a shared agreement or they have a partnership disruption. Mr. Teerlink

explained that when the City is presented with a Shared Parking Agreement, the Planning Commission's role is to ensure that a shared parking sign is posted.

Commissioner Vilchinsky understood that the proposal was drafted to incentivize developers to create denser housing. She questioned why the parking proposal is being forwarded to the City Council. Mr. Teerlink explained that the parking ratio and standard are antiquated. Elsewhere, parking ratios have been reduced over time while the City of Holladay's have remained unchanged since the County adopted them in the early 1970s. They are extremely onerous and require large expansive parking lots, which generally go unused most of the year. The compensation could be to allow the area not to be used for building. Specifically for multi-family projects, when the ratio is two spaces per unit, parking garages could become large very fast. When incentivizing moderately-priced residential units, they can reduce parking areas so that developers can provide more units or be compensated for an expensive parking garage.

Commissioner Vilchinsky commented that as a business owner she recognized that parking is an issue and there is never enough. The majority of her customers were people coming from outside the City. As a result, walkability was not an issue and there was not enough parking. The parking they did have was being utilized by people who were not customers who were patronizing other businesses that did not have adequate parking. She asked what was being done by the City to create more parking like at Harmons where more than one business uses a common area and promotes business. Mr. Teerlink stated that the City has not restricted businesses from assigning their stalls to themselves. A private business or strip mall is not prevented from assigning its stalls to its own tenants rather than entering into a Shared Parking Agreement with a large user next door that is not compatible.

Commissioner Chris Layton stated that many areas of the City are overparked in accordance with the older standard. He recognized, however, that on a Saturday there are often parking issues throughout the City. That is one inconvenience weighed against the rest of the week when parking lots are empty. Mr. Teerlink reported that a minimum has been established but is not a requirement. A developer can provide as much parking as needed up to 125% based on what they believe is needed for the space.

Commissioner Chris Layton commented that a developer theoretically wants to have as little parking as possible to maximize the gross leasable area. Prospective tenants may find that the parking that is provided is inadequate. Commissioner Vilchinsky stated that a balance needs to be reached when promoting business and economic development in the City. Commissioner Chris Layton thought that most landlords understand that if they do not have adequate parking for their tenancy, they will not keep them. If they lease all of their space to food service tenants, they will be under-parked.

Mr. Teerlink offered to make the requested changes to the draft, which would be provided for the public hearing, which was expected to be held in October.

ADJOURN

Commissioner Prince moved to adjourn. Commissioner Roach seconded the motion. The motion passed with the unanimous consent of the Commission.

The Planning Commission Meeting adjourned at approximately 7:20 p.m.

I hereby certify that the foregoing represents a true, accurate, and complete record of the City of Holladay Planning Commission Meeting held Tuesday, August 16, 2022.

Teri Forbes

Teri Forbes, Minutes Secretary
T Forbes Group

Minutes Approved: October 4th 2022