

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
September 20, 2016

4:00 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING Mayor Richard F. Brunst

ELECTED OFFICIALS Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Bill Bell, Development Services Director; Debbie Boone, Recreation Department; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Officer Brown, Police Department; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Steven Downs, Assistant to the City Manager; Paul Goodrich, Transportation Engineer; Brandon Stockdale, Long-rang Planner; and Donna Weaver, City Recorder

DISCUSSION – City Center District

Mr. Bybee said the presentation would have two sections. CRSA

Kelly Gillman said they had the kick off meeting earlier in the day. He reviewed what they planned to do over the next few months.

Susie Putteram went over their philosophical approach to the city center district, including:

- Land Use & Technical Components
- Technical Analysis
- GIS Analysis
- Market Analysis
- Future Land Use
- Infrastructure Process
- Transportation & Infrastructure
- FBC / Guidelines
- Small Area Planning & Modeling
- Scenario / Alternatives
- Urban Form & Illustrations
- Design Guidelines
- Form Based Code
- Scenario Planning
 - Design Guidance

- Integrated Guidance
- Focus Groups
 - Stake Holders
 - Residents
 - Possible Developers
- Outreach Process

Jim Child with JRCA Architects said they had focused on governmental buildings for several years. He then reviewed the project objectives:

- Enhance delivery of municipal services
- Add to the vitality of State Street
- Leverage the property's development
- Potential to reduce development costs
- Develop long range space needs assessment
- Promote sustainable and efficient facilities
- Create a positive and safe environment for city staff

Project Tasks and Milestones

- Library Auditorium
- Structural/Seismic Investigations
- PowerPoint
- Review Existing Facilities
- Review Mechanical Engineering
- Architectural Functional Analysis
 - Operational Efficiency
 - Citizen friendly
 - Staff safety
- Needs Assessment
 - Current
 - Future
 - Opportunities for Share Use
 - Functional Space Standards
- Planning Concepts
 - Create a One-Stop Center for most citizen needs
- Model Facility Tours – What Other Communities Are Trying – Tentative November 15
- Interactive Master Planning Workshop
- Public Visioning Session
- Another Interactive Master Planning Workshop
- Public Open House
- Finalize Master Plan and Present to City Council

Mr. Davidson said staff wanted the Council to understand that there were two distinct but related processes going on. With the Center Street Node process, staff was already in the process of talking with property owners.

5:00 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Bill Bell, Development Services Director; Debbie Boone, Recreation Department; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Officer Brown, Police Department; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Jason Bench, Planning Division Manager; Steven Downs, Assistant to the City Manager; and Donna Weaver, City Recorder

Preview Upcoming Agenda Items

Staff presented a preview of upcoming agenda items.

Agenda Review

The City Council and staff reviewed the items on the agenda.

City Council New Business

Mr. Lentz noted that UTOPIA had been working to meet Orem's requests so the City would pay the withheld operating funds. The Mayor said he would like to see more done on the marketing request. After subsequent Council and staff discussion, the consensus of the Council was to make the payment.

The Council adjourned at 5:53 p.m. to the City Council Chambers for the regular meeting.

6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Steven Downs,

Assistant to the City Manager; Pete Wolfley, Communications Specialist; and Donna Weaver, City Recorder

**INVOCATION /
INSPIRATIONAL THOUGHT** Denise Warner
PLEDGE OF ALLEGIANCE Dillon Cutler

APPROVAL OF MINUTES

Mr. Seastrand **moved** to approve the August 31, 2016, Joint City Council/Alpine School District meeting minutes. Mrs. Lauret **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

Upcoming Events

The Mayor referred the Council to the upcoming events listed in the agenda packet.

Appointments to Boards and Commissions

There were no appointments to Boards and Commissions.

Recognition of New Neighborhoods In Action Officers

There were no new NIA officers to recognize.

PROCLAMATION – Constitution Week

Mayor Brunst read a proclamation declaring September 17-23 Constitution Week in the City of Orem.

Mr. Spencer **moved** to accept the proclamation. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

CITY MANAGER'S APPOINTMENTS

Appointments to Boards and Commissions

There were no appointments to Boards and Commissions.

PERSONAL APPEARANCES

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

Jeff and Karen Hamilton – Ms. Hamilton provided a map to the Council as Mr. Hamilton said they live on a dual elevated property. Historically the backside of the property had been accessed by a variety of people. A locked gate was located on the property in late 2015. That,

unfortunately, made it difficult for them to access their property. After research, they determined that everyone with an easement to the property were behind it. He said they had been having a difficult time getting a response about how they can access their vested property.

David Wise said he was a neighbor to the Hamiltons. They were in the same situation in that they were also with having a difficult time accessing their property. He said he needed to be able to get to their property with small utility trucks to care for the property.

Melodee Andersen expressed concern about proposed fee increases being used to build unfunded water pipes and storage tanks. She quoted LDS leaders and discussed her fears about the City Council helping to spread of socialism.

CONSENT ITEMS

Mayor Brunst **moved** to cancel the November 29, 2016 City Council Meeting. Mr. Sumner **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

SCHEDULED ITEMS

6:00 P.M. PUBLIC HEARING – Southwest Annexation #2
ORDINANCE – Adoption of the Lakeview Addition to Orem City #2 Annexation Petition

The applicant requested that this Public Hearing be continued to October 25, 2016 at 6:00 p.m.

Mr. Sumner **moved** to continue the public hearing to 6:00 p.m. at the City Council meeting October 25, 2016. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

6:00 P.M. PUBLIC HEARING – Sign Zone Map Amendment
ORDINANCE – Amending Section 14-1-4 and the sign zone map of the Orem City Code by designating property located generally at 85 North 400 East as Sign Zone D

The applicant requested that this Public Hearing be continued to October 25, 2016 at 6:00 p.m.

Mr. Macdonald **moved** to continue the public hearing to 6:00 p.m. at the City Council meeting October 25, 2016. Mr. Lentz **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

6:00 P.M. PUBLIC HEARING – PD-5 Changes to Development Standards
ORDINANCE – Amending Section 22-11-17 of the Orem City Code pertaining to development standards of the PD-5 zone generally at Main Street and University Parkway

Mr. Bench presented Steven Usdan's request that the City Council amend Section 22-11-17 of the Orem City Code pertaining to development standards of the PD-5 zone at Main Street and University Parkway.

The PD-5 zone was located along University Parkway and contains several commercial uses. Among the existing uses were Lowe's, Dick's Sporting Goods, Garff VW, and Chili's. The PD-5 zone restricted uses and required different development standards than the C2 general commercial zone.

The applicant proposed to amend the PD-5 zone to add fast food to the list of permitted uses. The current ordinance allowed restaurants but not fast food. Fast food was defined as those restaurants that have a drive-through. The applicant represented a fast food restaurant that they would like to locate in the PD-5 zone, but was currently unable to do so as the use was not permitted.

Staff also proposed to modify the requirements pertaining to acceptable exterior finish materials for buildings in the PD-5 zone. Staff proposed to limit the use of colored split-face block, EIFS, stucco, cementitious siding, wood or any combination of these materials to no more than fifty percent of any building elevation. An additional amendment was also proposed to require that all sides of a building have the same architecture, design theme and construction materials as the front elevation.

The proposed amendments are shown below:

22-11-27

B. **Permitted Uses.** The uses listed below shall be permitted within the PD-5 zone.

Standard Land

Use Code Category

1510	Hotels, tourist courts, and motels
5260	Home Improvement Centers
5392	General Stores
53XX	All General Merchandise Retail Category, (except 5395, Flea Market) NEC*
54XX	All Food Retail Category (except 5420, Farmers Market)
5511	Motor vehicles (new and used)
56XX	All Apparel & Accessories Category
57XX	All Furniture, Home Furnishings and Equipment Category
5810	Restaurants
5811	Fast Food
5910	Drug and proprietary
5931	Antiques
5932	Gold and Silver
594X	Books, Stationary, and Office Supplies Category (except 5949, Video Rental)
5951	Sporting goods
5952	Bicycles
5953	Toys
5970	Computer goods and services
5996	Optical goods
61XX	All Financial, Insurance and Real Estate, Services Category, (except 6161, Pawn Shops)
6220	Photographic Services Category
6230	Beauty and Barber Category
6331	Duplicating, Mailing and Stenographic, Category NEC
6350	News Syndicates Category

6360	Employment Services Category
6392	Business and Management Consulting Services
6396	Photo finishing
65XX	All Professional Services Category (except 6515, Veterinarian Services, Kennels & Runs)
711X	Cultural Activities Category
7212	Motion Picture Theaters
7214	Legitimate Theater

K. **Building Standards.** The following building standards shall apply:

1. Materials: All structures must be finished on all sides with acceptable finishing materials. No more than fifty (50) percent of any building elevation shall consist of colored split-face block, EIFS, stucco, cementitious siding, wood or any combination of these materials. The following materials ~~may be~~ acceptable without any coverage limitation: brick, stone, fluted block, colored textured block, and glass, ~~and wood~~. Other finishing materials may be used upon approval of the City Council; provided, however that corrugated sheet metal shall in no case be used except for trim, soffits, fascia, mansards or other similar architectural features. In determining whether or not other materials may be used, the City Council shall consider the purpose of the zone in promoting well designed, aesthetically pleasing commercial buildings in close proximity to residential areas, the attractiveness of and the City image created by, the proposed development as seen from 1300 South Street, which is a major transportation corridor through the City, and the purpose of the Planned Development zone in promoting a higher development standard than that found in other commercial zones.

2. The architecture, design theme, and construction materials of a commercial building's front elevation shall be applied to the exterior walls of all elevations of the building. All elevations of a commercial building shall include windows, awnings, varying façade depth, high-quality exterior finishing materials, lighting, and other similar features that are used in the front elevation of a building.

The Planning Commission recommended the City Council amend Section 22-11-17 of the Orem City Code pertaining to development standards in the PD-5 zone at Main Street and University Parkway. Staff supported the recommendation of the Planning Commission.

Josh Finglin, applicant representative, said the other restrictions, besides EIFS and stucco, were added after the Planning Commission meeting. He expressed concern about the difficulty of having to apply a four-sided design on the building in a commercial corridor. He said that type of architecture was found more in a downtown district, where there was more pedestrian use. Mr. Finglin said they presented a quality building and were more than willing to work with staff to improve upon the enhancements. Requiring fifty percent on all sides was restrictive. It could get very costly when unneeded.

Mr. Lentz wondered how it would be applied since many buildings were in the middle of the parking lots and had four exposed sides, while others did not. He asked if there was a way to provide language to buffer it better. Perhaps requiring design on all four sides was excessive, and could have unintended consequences.

Mr. Bench said those buildings facing a residential zone should have at least some of the elements that the front had on all four sides, which would make it more compatible with a residential zone.

Mr. Finglin said they also owned the University Crossing Shopping Center, where they had demolished the old Outback Steakhouse and built a new restaurant out front, as well as a Pier 1 Imports. In those instances, they would have had to provide four-sided architectural features which could become costly. Several of the buildings at the shopping center had stucco. Typically

four-sided design was not found in large box retail. In response to a question from Mayor Brunst, Mr. Finglin explained the design elements of the Outback Steakhouse.

Mr. Seastrand asked if a forty percent design requirement would have been a more realistic expectation.

Mr. Finglin said that specific numbers could restrain creativity. He would have preferred receiving direction from staff regarding a general vision for the area.

Mr. Seastrand stated that the Council did not know what would go in that area. They were trying to set a parameter for creating an image. They wanted to create a reasonable expectation that was not a pure stucco wall. He asked how to construct the language for the entire corridor without requiring a design review committee for each individual project.

Mr. Finglin suggested requiring fifty percent for the entire project rather than each side. There needed to be areas for prominent features, as well as a place to locate utilities, dumpsters, etc.

Mrs. Lauret asked which side would face University Parkway, and he said the front would. The back would face the Guitar Center or Ashley Furniture, and there would be a drive-through and dumpster. The rear would be very narrow and was not well-suited for a four-sided presentation.

Mr. Macdonald asked if the design requirement was fifty percent of the building, in total rather than for each side, would it meet the vision of the area. Mr. Bench answered affirmatively, and stated that the second item listed in the aforementioned building standards would still allow the City to require elements on the front façade. Mr. Macdonald said he was in favor of setting specific numbers because it would not leave much discretion for the developer. Having a level playing field was helpful when reviewing project proposals. He asked if setting the fifty percent design requirement for the entire building would be a compromise. Mr. Bench said that it would necessitate working with every developer to make sure they met the requirements. Mr. Macdonald asked if this would work for both staff and the developer. Mr. Bench said it was a step in the right direction, and they could reevaluate the requirement again in the future if necessary.

Mr. Finglin inquired about the items mentioned in the building standards. Mr. Bench said those items were already required by ordinance; the verbiage in the site plan requirements was placed in the zone. Mr. Finglin asked if the design elements were a list from which he could choose when designing the building. Mr. Bench answered affirmatively, noting that the intent was for the elements selected to be incorporated evenly in order to create a complete building rather than one-sided architecture.

Mr. Finglin suggested that rather than having the language read “...*all elevations of a commercial building shall include windows, awnings, varying façade depth, high-quality exterior finishing materials, lighting, and other similar features...*” it be reworded to indicate the developer could select certain elements from that list, without necessarily including all of the elements listed above.

Mr. Davidson said the building was visible from all four sides, including other businesses. They needed to be considerate of others who had made sizable investments in the community as well.

Mr. Lentz said he would like to see language that recognized a building that was visible from all four sides versus one with fewer sides visible. Mr. Bench said there was already language in the site plan requirement that set a distance limitation of 200 feet from within an arterial or collector road, which would have included University Parkway but not 1400 South. If they were to strike out Item #2 in the proposed building standards language, it would have been limited to 200 feet as was indicated in the site plan, and eliminated the design needs on the back sides of the existing structure. Mr. Lentz said he was more comfortable reverting to the requirements in the site plan, because he did not want unintended consequences of overregulation on the matter.

Mayor Brunst opened the public hearing.

Laurie Liljenquist said she had received notice that the parking requirement was also changed and expressed concern about the driveway access from the old RC Willey building.

Mr. Bench said the request for a parking requirement change had been withdrawn by the applicant. He indicated that as for the driveway access there were already reciprocal agreements in place.

Mayor Brunst closed the public hearing.

Mayor Brunst said he liked keeping Item #2 in and preferred having no more than fifty to sixty-five percent, so that thirty-five percent stucco would be kept on all four sides. Other buildings in the area had design standards all the way around. He said he wanted to keep some semblance of beauty and consistency on all four sides.

Mr. Macdonald asked if windows, which might not be needed on all four sides, could be limited under the Mayor's proposal. Mr. Bench said the Texas Roadhouse building had fake windows that faced State Street. That was one way to make the requirement work.

Mr. Lentz asked if they could stick with the fifty percent requirement in general, but allow one side to remain up to sixty-five percent stucco. That would raise the appeal and lasting value of the building, while making an allowance for one side to remain more utilitarian than the others. He wondered if the ProTrip project would raise concerns with parking. He asked if one fast food restaurant would impact the corridor, and wondered if by adding the use to the entire zone the property owners through the area would be prepared for the potential impact.

Mr. Goodrich, Traffic Engineer, said they were looking at how much more infill they could expect in the corridor. That process would take place over the next few months. He said there were "seas of asphalt" with underutilized parking, and said parking in certain areas could be lowered.

Mr. Seastrand asked about the access on the west side of the old RC Willey building, and whether or not it created a traffic concern. Mr. Goodrich said the code was flexible on the width of commercial driveways, and assumed the access in question met the correct code.

Mayor Brunst said the access needed to be widened, but wasn't sure of which process to follow on the matter.

Mr. Goodrich explained that the access was currently only an access easement and the easement holder might not have permission to widen it. It would be appropriate to contact the property owner during the site plan approval process.

Mayor Brunst noted that the request was not just for one restaurant.

Mayor Brunst then **moved** to amend Section 22-11-17 of the Orem City Code pertaining to development standards of the PD-5 zone generally at Main Street and University Parkway, with the change that the design requirement be increased to sixty-five percent rather than fifty percent of a combination of building materials as they had been outlined, thereby maintaining a design of thirty-five percent on all four sides.

Mr. Lentz suggested they maintain the proposed amendment language and include a single allowance for one side to be up to sixty-five percent for a more utilitarian approach. He said he was favorable to striking Item #2, instead leaving it in the site plan. He suggested they reassess how to approach the properties on the backside because they didn't serve the same purpose as businesses or restaurants that were more visible in the corridor on all four sides.

Mr. Macdonald said their goal was to upgrade Orem, and increasing the design percentage would not upgrade the city. He said it would add beauty to Orem as a whole if buildings used professional rather than less expensive materials.

David Spencer **seconded** the motion. Those voting aye: Richard F. Brunst, Mark Seastrand and David Spencer. Those voting nay: Debby Lauret, Sam Lentz, Tom Macdonald, and Brent Sumner. The motion **failed** by a 4-to-3 vote.

Subsequent to Council and staff discussion, Mr. Lentz **moved** to amend Section 22-11-17 of the Orem City Code pertaining to development standards of the PD-5 zone generally at Main Street and University Parkway as outlined, with the exception of allowing up to sixty-five percent of the listed materials on one side within 200 feet of an arterial street, as well as striking Item #2 from the building standards in the ordinance and instead use the same language in the site plan.

Mark Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

6:00 P.M. PUBLIC HEARING – PD-47 – Flying Horse Condominiums
ORDINANCE – Amending Article 22-11 of the City Code by enacting Section 22-11-60, PD-47 zone, amending the appendix of the City Code by enacting Appendix ‘QQ’, and amending Section 22-5-3(A) and the zoning map of the City of Orem by changing the zone at approximately 1700 South Sandhill Road from PRD to PD-47

Mr. Bench presented Bruce Dickerson's request that the City Council amend Article 22-11 of the City Code by enacting Section 22-11-60, PD-47 zone, amend the appendix of the City Code by enacting Appendix 'QQ', and amend Section 22-5-3(A) and the zoning map of the City of Orem by changing the zone at approximately 1700 South Sandhill Road from PRD to PD-47.

The applicant requested the City Council create and apply the PD-47 zone to a parcel of property located at 1700 South Sandhill Road. The subject property consisted of 5.48 acres and was currently zoned PRD. Because the property is located west of Sandhill Road, it was subject to the requirements of the high-density PRD zone which allowed a density of up to sixteen units per acre.

The applicant would like to apply a new PD zone (PD-47) to the property. The applicant had submitted a proposed concept plan that would be adopted as Appendix QQ and would be made a part of the PD-47 zone. The applicant's proposed development would contain 136 units which represented an overall density of about twenty-five units per acre. Under the current PRD zoning, a total of eighty-seven units could be constructed based on the sixteen unit per acre maximum density. The PD-47 zone would also increase the allowable building height to forty-five feet from the forty foot height limitation that is currently allowed in the PRD zone.

The proposed increase in density to a maximum of twenty-five units per acre (136 units) was a fifty-six percent increase over the current allowable density of sixteen units per acre.

Parking was proposed at 2.25 stalls per unit which is an increase from the 2.15 stalls per unit that was initially proposed and presented to the Planning Commission. The current PRD requirement was 2.5 stalls per unit. At least one covered parking stall was required to be provided for each residential unit. Paul Goodrich, Orem City Transportation Engineer, was satisfied with the purposed parking ratio of 2.25 stalls per unit which provided 307 parking stalls.

Staff supported the proposed development as the subject property was ideally suited for high-density development as the current zone permitted.

A neighborhood meeting was held on June 6, 2016. Support of the project was expressed by those in attendance. Traffic was an item of concern that was discussed with the residents and the applicant's traffic engineer.

The Planning Commission recommended the City Council amend Article 22-11 of the City Code by enacting Section 22-11-60, PD-47 zone, amend the appendix of the City Code by enacting Appendix 'QQ', and amend Section 22-5-3(A) and the zoning map of the City of Orem by changing the zone at approximately 1700 South Sandhill Road from PRD to PD-47. Staff supported the recommendation of the Planning Commission.

Mayor Brunst asked if any of the units on the east side of Sandhill Road were condominiums or if they were all apartments. Mr. Earl said there was a project that had been approved as townhouses; however, it had not yet been built. Mayor Brunst asked if Orem had any other condominium projects or PD zones with twenty-five units per acre. Mr. Bench said there were, noting that the Lake Ridge Condominiums on 430 West 1430 South had the exact same ratio as the proposed project. There were ninety-six units in that facility, with a parking ratio of 2.5 stalls per unit.

Mayor Brunst noted the proposed development had a setback of twenty feet instead of twenty-five feet, and asked why this was the case. Mr. Bench said that most of the projects that were coming in on State Street were encouraged to move closer to the street for parking reasons, as well as to feature architecture on the buildings.

Cory Andersen, developer, said the landscaping along Sandhill Road would have fencing and bushes to provide a buffer. The amenities included basketball, sand volleyball court, a tot lot, and two barbeque areas. Because they wanted to keep the homeowners association (HOA) fees low—which factored into long-term financing—there was no swimming pool.

Mayor Brunst noted that the proposed development was a Federal Housing Administration (FHA) project which required a fifty-one percent homeownership rate.

Mr. Andersen explained the process for qualifying for an FHA loan. He said the FHA program allowed buyers to receive gifts from individuals to go towards a down payment. A significant part of their marketing was comparing the cost of renting versus owning, and they found that it was cheaper to own than rent in Orem. There was a need for affordable housing in this area. Part of the reason why this type of housing was lacking in the City, was because of the challenge associated with gaining approval as an FHA project. He said they were sold out at their other project, and were already starting to take reservations for the proposed development. Not all units were FHA, because they were also required to piggyback on conventional loans. He explained that conventional loans were slightly better loans, and were available for buyers who were able to make a larger down payment. Mr. Andersen noted that about thirty-three percent of the units were approved for FHA financing. Insurance, sewer, water, internet and landscaping were included in the HOA fee.

Mr. Sumner asked if there were any plans to expand or improve Sandhill Road in the future.

Mr. Goodrich said the road had been widened about eight years ago and was oversized for its capacity, including what was projected for future projects. The interchange was likely to fail with or without the proposed project. However, Provo had finally agreed to a new interchange at 800 South, and there were plans for one at that location.

Mrs. Lauret asked how the fifty-one percent homeownership rate requirement would be policed, especially with Utah Valley University (UVU) so close.

Mr. Andersen said they would focus on the homeownership rate requirement; however, about twenty-five percent of investors at their other project had purchased to rent. He said that the issue would be policed through the HOA, and that a condominium certificate would be filled out with every loan. The process also entailed a questionnaire that needed to be turned into the HOA and lender to ensure that the project remained within the fifty-one percent limitation. Property management would maintain an annual record of those documents.

Mr. Seastrand asked how to protect the fifty-one percent homeownership rate if young couples were to maintain ownership of the unit after moving. Mr. Andersen said they would be required to notify the HOA and property management that the unit was no longer owner occupied.

Mr. Macdonald asked what the HOA fee of ninety-nine dollars would cover. Mr. Andersen said insurance, landscaping, sewer & water, trash, and Internet would be covered by that fee. Mr. Macdonald asked about the length of the billboard lease on the property, and Mr. Andersen said it was a year-to-year contract. They were also required to provide a ninety-day notice to the billboard company. Mr. Macdonald expressed concern about the density and the height of the proposed project and wondered if it could be developed with the current zone.

Mr. Andersen said they were not sure if they could proceed or not. His experience supported that there was a need for home ownership. A lender for the project had said to Mr. Andersen that the project was more valuable with the current zoning than turning it into an apartment complex. If the subject property were to have been developed as apartments, they could have maxed out the number of units and rented them out as individual bedrooms. Were that to have been the case, they could have had fifty percent more occupants living there.

Mr. Spencer asked if the smaller density units could not also be condominiums. Mr. Andersen said he did not know the answer to that question. However, profits for apartments would have been mainly in rent, and rent was high in Utah County. Mr. Spencer said the 2.5 parking stalls per unit could have also been a deterrent. Mr. Andersen stated that their plan was not to do apartments, and he was confident they could make the condominium development a successful project.

Mr. Seastrand reviewed the history of the property, noting that it had been a difficult journey as they had tried to find a good balance between the commercial portions and the single-family neighborhoods. He questioned the impact this project would have on the neighborhood in ten or fifteen years. From a neighborhood perspective, he wondered why sixteen units per acre were now insufficient and how twenty-five units per acre would be more beneficial than what was originally planned. He recalled that when the maximum limit of sixteen units per acre had been established, it had come with neighborhood and developer consensus. He was disappointed that that project had not come to fruition.

Mr. Andersen said that the current proposal was not for an apartment complex. The residents of the complex would be homeowners and be part of the neighborhood.

Mr. Seastrand said the pattern of Millennials was that they did not stay longer than three or four years. They changed jobs frequently. In his mind the likelihood of these condominiums turning into apartments over time was high.

Mr. Andersen said the HOA would police it to keep the units owner occupied, and the property owners would essentially govern their own investment. The fifty-one percent homeownership rate was vital for maintaining FHA funding for the entire development.

Mr. Spencer asked about the fence on the north side of the property. Mr. Bench said they were planning on a vinyl fence.

Mr. Lentz asked what year the North Abbey Condominiums were built. Mr. Bench said they were built sometime in the 1970s. Mr. Lentz said that development was close to his neighborhood, and he knew several people living there. They continued to remain primarily owner occupied units, and it was comforting to him to see so much continuity. The North Abbey Condominiums were a little different since they were farther away from UVU and were larger units. He said he liked that this proposal provided an affordable approach to home ownership and was walkable to services and transit. Looking to the future, Mr. Lentz said he wondered if they must guarantee that it remain owner occupied but shouldn't be designed to anticipate that possibility. He said he thought parking was the key. Because the future was uncertain, he was not sure that 2.25 parking stalls per unit would be sufficient. He asked the developer if they could work the numbers to see if 2.5 stalls per unit would be possible.

Mr. Sumner said if the project was approved, he personally wanted to buy a unit as an investor. He wondered if could be prohibited legally. Mr. Earl said they could not discriminate against an investor on the basis of protected categories such as race, sex, religion, etc. Mr. Sumner asked what was to prevent him from selling his unit to three UVU students. Mr. Andersen said the “power of the purse” was one way to keep that from happening, using the Covenants, Conditions, and Restrictions (CC&Rs). He reviewed their draft covenants and restrictions, saying they would help control the above scenario from happening.

Mayor Brunst opened the public hearing.

Jay Henry said he had developed the property east of the subject property. He expressed concern that the (1) building height being proposed did not fit the area; and (2) parking was inadequate. He agreed there was a real demand for this kind of housing but did not think this was the right place for it due to its proximity to UVU.

Doug Burtell asked if the property had already been purchased. Mr. Andersen said that it had. Mr. Burtell voiced concern about traffic, the number of renters, insufficient parking, and an HOA’s ability to govern the owner occupant requirement.

Laurie Liljenquist said she was a real estate agent. When she had looked for a condominium for her son to buy through the FHA program, they found that her son could own and still rent. They read HOA rules for several different complexes and discovered that, while it was possible to control homeownership rates, it also limited who could buy in the future. This then impacted how well the units were being maintained. She said that having an HOA enforce the restriction would not be sufficient. In response to a question from the Mayor, Ms. Liljenquist noted that the price range in Salt Lake was \$130,000 to \$170,000, depending on unit size.

Jerry Andersen, project contractor, said there was more control with the proposal versus the current zoning which had no control. The City could have either eighty-seven, three-bedroom apartments built on the subject property tomorrow without requiring approval from the Council, or they could have a project that provided affordable housing for prospective home buyers as well as some form of control.

Trey Warner said he owned several units as an investor. He found there were more traffic problems with three-bedroom units than the two-bedroom units. There were also fewer “get-togethers” with smaller units. He said those patterns were true of rental problems, and he did not think there would be any issues with the proposed development which would primarily be owner occupied.

Mr. Sumner asked Mr. Warner if, as an investor, he would buy any of these units. Mr. Warner said he would not. He said Orem was capable enough to adapt to any changes that might happen in the future. He said that it was a great area, and that he believed the units wouldn’t be occupied just by students.

Mayor Brunst closed the public hearing.

Kordel Braley, RSG traffic engineer, reviewed their traffic findings. They had looked into the possibility of forty-nine percent of the units becoming rentals with three occupants. The amount of traffic that this development would add in comparison to the baseline condition of what was previously approved was on the order of twenty to thirty vehicles per hour during the peak hour of the day. Mr. Braley said that in regards to whether or not a second access was needed, they had determined that one access met Orem's Access Management Guidelines, as well as from a traffic standpoint. In looking at data for parking, they had found that the student housing parking ratio in surrounding complexes was less than two per unit, so Mr. Braley believed the parking number being proposed was sufficient.

Mr. Seastrand asked how street parking was accounted for in their study, and Mr. Braley said they did not count those spaces in the data collection process. They assumed every garage had a car in it. Furthermore, it was clear at night that there was parking occurring on the street that belonged to the complex they were analyzing. There were empty stalls within the complex as well. Mr. Braley said they felt they had captured an accurate picture of what was occurring in terms of parking.

Mr. Spencer asked about the acreage on the Villa property. Mr. Dudley said the Villa was comprised of 4.47 acres with 116 units. He noted that the parking at the Villa had two stalls per unit.

Mr. Sumner observed that if the study was done in May, which did not account for all UVU students. Mr. Braley said the studies were completed in May while the Alpine School District was still in session. They also did studies in August and September when UVU students would have been counted.

Mayor Brunst said he believed this was a quality project, and that affordable housing was important in the area. He said he also believed the HOA could handle the percentage of rentals, and that the parking was sufficient.

He then **moved**, by ordinance, to amend Article 22-11 of the City Code by enacting Section 22-11-60, PD-47 zone, amending the appendix of the City Code by enacting Appendix 'QQ,' and amending Section 22-5-3(A) and the zoning map of the City of Orem by changing the zone at approximately 1700 South Sandhill Road from PRD to PD-47. Mrs. Lauret **seconded** the motion.

Mr. Macdonald asked legal counsel what would happen if the proposal was denied. Mr. Stephens said the applicant would not be able to bring back the same proposal for at least one year, unless of the four Councilmembers who voted against it, three of them requested a reconsideration of their vote within fifteen working days. Mr. Macdonald asked how much the proposal would have to be modified in order for it to be considered a different proposal. Mr. Stephens said that the ordinance was not that specific; however, in the spirit of the ordinance, it would have to be significantly different from the original proposal.

Mr. Macdonald said he agreed with the Mayor on some points. Mr. Macdonald said he was leaning towards voting against the proposal because the engineering studies did not take into consideration UVU student traffic. He was inclined to get more information.

Mr. Lentz asked if the applicant would have to go back through staff and the Planning Commission before coming back to the Council if there were significant changes made to the proposal. Mr. Stephens answered affirmatively. Mr. Lentz said he thought it was a good project, but he was not sure he was comfortable approving the changes as they had been proposed.

Mr. Davidson said if the item were tabled to give Mr. Andersen time to redesign the plan, he would not have to go through the entire process again. If minor tweaks to the proposal sufficed, that was an option for both the City and the applicant's team. Tabling the item would save everyone time.

Mr. Sumner said there were many aspects to the project that he liked. His concerns were the traffic and proximity to UVU. They needed some kind of assurance that it would not turn into an apartment complex. He did not have confidence the HOA could control the owner occupancy requirements.

Mr. Seastrand said he thought it was a great project but not for this location.

Mr. Stephens said that any motion could be amended with approval of the maker of the motion and the person who made the second, or by a separate vote.

Mr. Macdonald said his concerns included density and parking, but he needed more time to get some answers. He said he thought he could get the answers he needed by the first City Council meeting in October.

Mr. Lentz said he did not believe density was inherently evil. He thought the project was well designed for the people and uses in the area, but he had concerns about the parking, long term.

Mrs. Lauret said she liked the affordability but would prefer more parking. She said she did not want more apartments.

Mr. Spencer said he agreed with Mr. Macdonald and Mr. Seastrand.

Mayor Brunst made a substitute motion, and Mr. Macdonald concurred, to move to continue the item to October 11, 2016. Mr. Macdonald seconded the motion. Those voting aye: Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

COMMUNICATION ITEMS

The monthly financial summary for August 2016 was provided to the Council.

CITY MANAGER INFORMATION ITEMS

Mr. Davidson reminded the Council of the Orem Reads Program, which had a mystery theme. He provided a copy of a classic mystery book to the members of the Council.

He said Mr. Spencer was having a birthday and they could celebrate after the meeting.

Mr. Macdonald said he made no apology to being an active member of the Church of Jesus Christ of Latter-day Saints (LDS). He said he realized not all members of the community shared that idea. He then read a statement from Dallin H. Oaks, a person whom Mr. Macdonald recognized as a Member of the Quorum of the Twelve Apostles of the LDS Church and who the community as a whole would recognize as a former president of Brigham Young University (BYU). In a recent speech at BYU, Mr. Oaks had stated the following:

The few months preceding an election have always been times of serious political division. But the divisions and meanness that we are experiencing in this election – especially at the Presidential level – [and perhaps in the City of Orem, Mr. Macdonald added] seem to be unusually wide and ugly. Partly this results from modern technology which expands the audience for conflicts and the speed of dissemination. Today, dubious charges [much like what was heard tonight, Mr. Macdonald added] misrepresentation and ugly innuendos are instantly flashed around the world. We should remember not to be part of the current meanness. We should communicate our differences with a minimum of offenses. In public discourse we should follow Gospel teachings, to love our neighbors, and avoid contention.

Mr. Macdonald said that regrettably, he did not see that displayed this evening. He continued to quote Mr. Oaks:

We should be examples of civility. We should love all people. Be good listeners and show concern for their sincere beliefs. Today I say if the Church or Doctrines are attacked [or Orem’s City Council and/or City’s Administration, Mr. Macdonald added] in blogs or other social media, contentious responses are not helpful. They disappoint our friends and provoke our adversaries. Finally, when our positions do not prevail [which was experienced earlier, Mr. Macdonald added] we should accept unfavorable results graciously and practice civility with our adversaries.

Mr. Macdonald said that he would like to see Orem become that type of a community.

ADJOURNMENT

Mr. Spencer moved to adjourn the meeting. Mr. Macdonald **seconded** the motion. Those voting aye: Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

The meeting adjourned at 8:47 p.m.

Donna R. Weaver, City Recorder

Approved: October 11, 2016