

**PARK CITY PLANNING COMMISSION  
WORK SESSION MINUTES  
NOVEMBER 6, 2013**

PRESENT: Nann Worel, Brooke Hontz, Stewart Gross, Jack Thomas, Charlie Wintzer, Thomas Eddington, Kayla Sintz, Francisco Astorga, Christy Alexander, Polly Samuels-McLean

**WORK SESSION ITEMS**

**Sign Code – Discussion regarding proposed amendments – Discussion**

Planner Christy Alexander noted that the Planning Commission had previously reviewed the proposed amendments to the Municipal Sign Code and provided input. Based on their input the Staff had drafted an amendment to the Municipal Sign Code that would be presented to the City Council. The Staff was requesting further input from the Planning Commission on granting the special exceptions to the height limitation for certain signs, prior to going to the City Council.

Planner Alexander stated that following the last Planning Commission meeting the Staff revised the amendment to limit the special exceptions to just the Recreation Commercial (RD) and the Residential Development (RD) zones. The special exceptions would also be limited to building sites that are hotels or resort commercial structures. Planner Alexander noted that the Staff was hesitant about allowing the special exceptions throughout the City.

At the last meeting there was confusion with the placement of the proposed St. Regis sign. Planner Alexander reviewed pictures of what the signage would look like if the Special Exception was approved. She noted that the sign would not stand out, but it would be high enough to be seen approaching the St. Regis.

Commissioner Thomas asked if the backlighting would be allowed. Planner Alexander replied that it would allow the same down lighting that was currently allowed in the ordinance. Director Eddington stated that the Staff had included lighting restrictions, which was the same halo or down lighting. Commissioner Thomas was concerned about lighting a sign that high up on a reflective material. Director Eddington noted that reflective materials are not allowed. He agreed that the sign could be lighted within the Code. It could not be backlit but it could be down lighted. Commissioner Thomas pointed out that they could wash light on and highlight it. He thought that issue needed further thought and limits placed on the amount of lumens that could reflect off the surface.

Commissioner Thomas asked if there was a square footage, square inches requirement for the size of the sign. Director Eddington replied that it was the same requirement that exists in the Code. The materials and letter height restrictions would remain the same.

Commissioner Wintzer understood that the only change was the allowed height on a hotel. Director Eddington read the proposed language on page 12 of the Staff report, Item C, "The proposed sign shall be for a building/site that is a hotel or a resort commercial structure." The structure has to be relevant to the resort and it must be in the RC or RD Zones.

Commissioner Thomas asked about the logo. Director Eddington stated that the logo would be counted as part of the square footage. Commissioner Wintzer clarified that the proposed Special Exception would not change anything but the height of the sign. He was told that this was correct.

Planner Alexander pointed out that the Special Exception for height would apply only if the Planning Director determines that it is feasible.

Commissioner Wintzer recognized that it was not a decision for the Planning Commission; but he was comfortable moving it forward to the City Council. Commissioners Worel, Gross and Hontz concurred. Commissioner Thomas stated that he would be comfortable moving it forward as long as the lighting was addressed.

Chair Worel called for public input.

Tom Bennett, the attorney for the developer of the St. Regis. Mr. Bennett felt it was important to understand that this amendment would not change any other provision of the sign code. It is strictly a height issue. He clarified that the St. Regis was only asking for a mechanism that was similar to a variance mechanism. The Special Exception opens the door for a situation where signage visibility is a problem, and it provides a mechanism to present your case to the Planning Director, if the sign meets all other requirements of the Municipal Sign Code.

**7101 Silver Lake Drive, Lot 2B Subdivision of Lot 2 North Silver Lake – CUP for lockout units.**  
**(Application PL-13-02034)**

Commissioner Thomas stated that due to his involvement with the conceptual design early in the project, he would be recusing himself from this discussion, as he has consistently done throughout the process. Commissioner Thomas left the room.

Planner Francisco Astorga noted that this was a work session discussion and the Staff and applicant were requesting input and direction from the Planning Commission.

Planner Astorga reviewed the application for a conditional use permit modification. The original CUP was approved in 2010. The original approval indicated that if the applicant requested a lockout unit in the future, it would require a conditional use permit request. The applicant has filed the required CUP application with the Planning Department. Planner Astorga noted that there was some discrepancy in the number of lockout units by the applicant. The applicant incorrectly interpreted the definition of a lock out unit and request 124 lockout units. After looking at the definition of a lockout unit, which consists of a habitable room that may include a kitchenette, but not a kitchen, the applicant reduced the number to 85 lockout units to coincide with the 38 approved main units. Planner Astorga wanted to clarify that mistake on the project description.

Planner Astorga stated that the conditional use permit authorized for 38 units. The applicant was requesting to add 85 lockout units to those 38 main units. The proposed plans were in substantial compliance with the original approval with a few modifications. The Staff did not believe the modifications were substantial enough to trigger a full review.

Planner Astorga noted that pages 26 and 27 of the Staff report outlined the details of the conditional use permit approval, the appeals and two extensions.

The Staff requested discussion this evening on two points that relate to the conditional use

modification of the lockout unit, which is traffic and parking.

Rich Lichtenstein, representing the applicant, stated that he has been the owner's representative on this project since its inception. He introduced Russ Olsen, the CEO of Stein Eriksen, Steve Brown, the project consultant, and John Shirley, the project architect.

Mr. Lichtenstein stated that the project was approved in 2010 for 54 units; 16 detached homes and 38 condo units. On July 1, 2010, the City Council affirmed that approval. Due to the economic climate they were unable to break ground and came forth with two extensions that were approved. They were finally able to break ground the beginning of this year and expected to have the model home completed by the end of the year. At that point they would begin to take sales reservations for the ski season. Mr. Lichtenstein stated that besides breaking ground, they were also excited to announce a strategic alliance with Stein Erikson.

Mr. Lichtenstein noted that the original CUP did not include lockouts and it was very clear that any opportunity to build lockouts would require a CUP modification approved by the Planning Commission. He stated that the alliance with Stein Eriksen Lodge required them to make that request. Mr. Lichtenstein stated that they were prepared to show that there would be no further impacts or mitigation required on the property with the lockouts. The modification results in no additional square footage, not additional height, no reduction in open space, and the parking continues to be in excess of the Code requirement.

Russ Olsen, representing Stein Eriksen Lodge, was excited about this new project in North Silver Lake for the Stein Eriksen Residence project and the alliance that was formed. He stated that Stein Eriksen is not a developer and they do not have a financial interest in the development per se; however, they are involved because they are interested in the long term viability of the project and how it fits within the business plan and the model of future growth opportunities for Stein Eriksen Lodge. Mr. Olsen named other properties they manage in the North Silver Lake area. He noted that a positive for having Stein Eriksen involved was that they would be here managing the project for the long-term. They would not leave once the project is built. Mr. Olsen commented on parking, traffic and the shuttle service. He was convinced that the transportation service they provide currently for the Chateau and Stein's would translate directly to the Stein Eriksen Residences and eliminate the need for any of the guest to have cars.

In terms of the lockout situation, Mr. Olsen stated that the viability of a project is much greater with lockouts. He noted that a primary concern of having lockouts is the amount of traffic and parking generated, particularly during a large event. He pointed out that the Stein Eriksen Residences more of a country club where it is mainly for the owners who stay there and their guests. It will not have meeting spaces that would drive group business or a public restaurant. Stein Eriksen Residences is a more contained project and development, which is much different than the Chateau and the Stein Eriksen Lodge. Mr. Olsen stated that the impact of transportation would be minimal, but more importantly, the lockouts would help make the project more viable and more attractive to potential buyers. It was also critical in Stein Eriksen's decision to become involved in the project and to move forward with a successful long-term relationship with the owner of the project.

John Shirley, the project architect, reviewed the plans of a typical lockout unit. The areas in red

were areas where interior hallways were added in order to create the lockout ability. Within the units themselves, minor changes were made where the kitchenettes were added. Mr. Shirley stated that in working with Mr. Olsen and his Staff in terms of creating the amenity level they needed to meet the Stein standards, the conversion to lockout was quite easy because the units were already close to those standards.

Planner Astorga clarified that the plan Mr. Shirley was presenting was the current condo layout versus the proposed.

Commissioner Wintzer understood that the unit would go from one key to three with the two lockout units. Planner Astorga replied that the units range from 1 to 3 lockouts. The smaller lockouts are 250 square feet and the larger lockouts can be up to 1,000 square feet.

Planner Astorga stated that the first discussion item related to traffic. He noted that the applicant had resubmitted their original traffic study and provided a new updated traffic study indicating the impacts of the lockout units. Per the newly updated document, shown as Exhibit F in the Staff report, in terms of traffic level of survey, it would remain Level of Service A, which is the free-flow traffic conditions best type of scenario. Planner Astorga reported that the Staff found no additional impacts to mitigate related to traffic.

Planner Astorga asked if the Commissioners concurred with the finding regarding traffic.

Mr. Lichtenstein pointed out that when the traffic study was updated they were considering up to 148 lockout units, which was due to a miscalculation. Since they were proposing less lockout units, he believed the traffic would show better if it was updated on the current number of 85 lockout units.

Chair Worel referred to page 69 of the Staff report which states that the study was evaluated assuming 110 additional keys. She asked if the traffic study assumed that everyone would drive rather than use public transportation. Mr. Shirley explained that the assumption on the traffic analysis was 100% occupancy at peak season. Commissioner Wintzer clarified that the study assumed a car for every key, but it was still a Level of Service A.

Commissioner Hontz noted that page 76 of the Staff report talks about not considering the lockouts because each key would cause a separate dwelling unit, which produced an artificially high trip projections. She asked if they had assumed the units as residential condos instead. Commissioner Hontz was confused over whether or not it reflected 100% off of the lockout units. She also recalled language in the Staff report, stating that it was based off of parking stalls rather than the occupancy of the actual rooms. Commissioner Hontz thought a better assumption would be to run at a certain percentage of the expected occupancy at its peak. She believed it would be significantly lower, as evidenced by all the hotels that provide that service. Commissioner Hontz stated that she was confused by some of the statements in the traffic study and if that could be rectified she was comfortable with the study. She reiterated her preference to base the assumption off of the assumed occupancy rather than parking stalls.

Commissioner Wintzer stated that he would like a matrix that identifies number of keys in the worst case scenario. He thought it was important to know the worst case scenario and make a decision from that. Commissioner Wintzer also requested something that says per Code, how many parking

spaces are required. He felt that information was important in order to make a good recommendation.

Planner Astorga stated that parking was the second point for discussion. He noted that the original CUP indicated that the project needed to provide 106 parking spaces, which was without lockouts. The Planning Commission made findings to reduce that by 25%, which took the number to 80 spaces. Planner Astorga stated that the approval also indicated that the parking would be determined per the LMC regulations. He pointed out that last year the City amended the LMC as indicated on page 30 of the Staff report, and the parking requirement was reduced. Planner Astorga stated that the challenge in addressing Commissioner Wintzer's request, is that the Land Management Code provides a parking standard for a lockout unit in terms of a single family dwelling and a duplex. It does not provide a parking ratio for a lockout unit within a multi-unit building. Because of the lack of clarity in the LMC, they were simply saying that the area for the lockout unit would be consumed by the area of the multi-unit dwelling as a whole. Therefore, they do not require additional parking for a lockout unit because it is already counted as part of a multi-unit dwelling. Given the current standard, the Staff's finding is that the lockout unit parking would be a portion of the multi-unit dwelling.

Commissioner Gross asked what the demand would be based on the ratio of one parking space per bedroom. Planner Astorga replied that it would be whatever parking was required for the first 38 main dwelling, and if it was one per bedroom, that would be an additional 85 parking spaces for a total of 123. He clarified that 123 would be assuming they could borrow the standard from a single-family and a duplex, but he was unsure whether that could legally be done because it was not specified in the Code. Assistant City Attorney McLean stated that it would also be the same standard for a hotel of one per room.

Commissioner Wintzer did not believe they needed that much parking and he applauded Stein Eriksen for what they were doing. However, he wanted to be able to justify whatever the Planning Commission does and point to the interpretations, particularly if they were willing to reduce the parking. Commissioner Wintzer thought it was important to take into consideration that all the rooms could be occupied by someone with a car. It becomes a problem for the applicant if parking is not allowed on the street and the project is under parked. He wanted something that would show the basis for a parking reduction.

Planner Astorga reported that the applicant was requesting to provide 96 parking spaces. The original plan had not changed and they were not requesting to reduce that number. Mr. Lichtenstein stated that they could provide up to 96 parking spaces, but for many of the reasons being discussed this evening, he thought 80 parking spaces was an appropriate number. He concurred with Commissioner Wintzer on the need to provide justification for reducing the number. Mr. Lichtenstein reiterated Mr. Olsen's comment that the Stein Eriksen marketing program discourages people from bringing cars because there is no parking and shuttles are provided. He pointed out that reduced parking to encourage less cars contributes to the City's goal of reducing the carbon footprint.

Commissioner Hontz concurred with Commissioner Wintzer in terms of not setting a precedent. She wanted the project to be successful and that the occupancy would be high. She also hoped the

traffic system that Stein Eriksen employs would work and that the parking would not be needed. Commissioner Hontz wanted justification to show how much was based off of a hotel use and how much they believe it would actually be generated. Commissioner Hontz also wanted conditions to have a successful travel demand system implemented and no office-street parking. She was comfortable considering a reduction because they want to discourage parking and encourage people to use other methods of transportation; however, she needed the requested analysis before she could make that decision.

Commissioner Wintzer stated that every time parking comes up in a project, he requests that the Staff look at the St. Regis, the Montage or other projects that had parking plans, to find out what they were required to build and how much of the parking is actually used. It would provide the Planning Commission with internal data from hard numbers to determine whether they were requiring too much or not enough.

Director Eddington stated that the Planning Commission had reviewed the parking analysis for the Montage and St. Regis four months and both were operating around 55-60% of occupancy. Despite the fact that the parking was reduced, they were still not operating above the 55-60%, even during Sundance and the holiday season. Commissioner Wintzer apologized for not remembering that the Staff had done that analysis. He requested that the Staff include that information in future Staff reports so the Commissioners would have the real data in front of them. Planner Astorga remarked that included in the General Plan is a section called "Rethinking parking", which indicates that most parking ratios are borrowed from suburban developments. They need to do in-house research and analysis related to parking demands as suggested in the General Plan, as well as taking the direction given this evening. Planner Astorga stated that the Staff was aware of the parking issues and they were trying to address that in the General Plan.

Director Eddington remarked that that part of the Best Practices with regard to parking was not management parking through additional asphalt, but rather managing parking through people.

Planner Astorga referred to page 31 of the Staff report and the criteria for a conditional use permit. When the application came in the professional recommendation and agreed to by the applicant, was to focus on traffic and parking related to the lockout units. Planner Astorga clarified that this section of the Staff report was not intended to reopen the approved conditional use permit. He explained that most of the CUP criteria did not apply to lockout units; however, the Staff reported listed the criteria to see if the Planning Commission had additional issues for review.

Commissioner Hontz referred to page 65 of the Staff report, Sight Distance, from the eastbound left turning traffic, and recommendations suggested by the traffic engineer to improve sight distance. She believed the lockouts would result in a traffic increase beyond the previously approved plan, and she could be problematic. Commissioner Hontz thought the recommendations were minor and insignificant, but it would make it easier to turn in and out of the project. She requested that the Staff research the recommendations further.

Chair Worel wanted to know more about the impacts on utility capacity. Planner Astorga noted that the number of bedrooms was not changing. The only change was how the bedrooms are managed through the plan. The Sewer District did not have any issues with the lockouts because the number

of bedrooms remained the same. Planner Astorga offered to do the additional review and provide a better recommendation for that specific criteria.

Chair Worel opened the public hearing.

Bob Dillon, a resident of American Flag, stated that in the past he was the attorney representing a number of neighbors and HOAs. Mr. Dillon stated that this project was not approved as a hotel. It is a multi-unit dwelling. If this is a hotel that has commercial space and support commercial that is open to the public, it is completely different from what was approved. Mr. Dillon explained that as they went through the process, it was presented to the neighbors as large condominiums and that was how the parking was formulated and the traffic plan. Those plans would be different if it is operated as a hotel and the public is allowed to come in and use the parking and the unknown commercial facilities. Mr. Dillon was surprised that condo documents, the plat and the declarations had not been submitted. The Legal Department authorized pulling a building permit on this project when five provisions of the LMC did not allow them to do it. He was surprised that they have to look at lockouts before they apply for a CUP for the condo project. Mr. Dillon wanted to know what this project really is and how it would be operated. He pointed out that he had done all the legal work for the Chateau. He knows how it is constructed and how it is operated. Stein Eriksen is a great manager, but this project is not the Chateau and it is not Stein Eriksen Lodge. Mr. Dillon stated that as soon as the lockouts are approved, it really begins to look like a hotel, and this project was not approved to be a hotel.

Lisa Wilson stated that she has lived in Deer Valley since 1993. She purchased her lot fully aware that there could be a large project someday. They were told it could be a small boutique hotel and that it would be 54 units. Ms. Wilson thought she knew what a unit was. During the public process there was a compatibility argument that went on for year, and the project was deemed compatible because the units were approximately 6,000. Ms. Wilson handed out a document that was written by Katie Cattan, showing that the units would be 6,000 square feet. At one point they were compatible when the project proposed 54 units. Ms. Wilson reiterated that she thought she knew what a unit was, but now the number is as high as 140, and she no longer knows how to define a unit. Ms. Wilson presented a copy of a trust deed.

Commissioner Wintzer informed Ms. Wilson that the issue this evening was the lockout units and not the history of the project.

Ms. Wilson replied that the lockout units would tremendously change the value of the property. Since 2005 the property according to Summit County has been valued at \$1.2 million. There is a trust deed on record for \$85 million. She pointed out that changing to 140 units increases the value far more than \$85 million. Ms. Wilson passed provided the Commissioners with copies of the trust deed. Ms. Wilson commented on the amount of property taxes that have been paid since 2005. He noted that 85% of the property tax revenue should have gone to the teachers, but it did not. Ms. Wilson believed the proposal and the discussion was truly unbelievable. She presented a tax bill prior to 2005 showing that the developer used to pay over \$100,000 in property taxes and now they pay \$6,000. Ms. Wilson remarked that the developer uses ten acres of Deer Valley ski in/ski out property and their property tax is \$6,000. Deer Valley pays \$55 in property tax for the four acres that used to be a 54 unit condo project, and has now turned into 140 hotel rooms. Ms. Wilson was

unsure how it reached this point, and she hoped the Planning Commission could do something to change it. She wanted to make sure that the school district and the City gets the money they lost over the years.

Nancy Dalaska stated that she and her husband live on Royal Street in Deer Valley. They are relatively new to Park City and she had two concerns about this development. When they purchased their property five years they understood that Deer Valley was relatively low density. Having moved from Chicago she know the difference between high and low density. They moved here looking for a place with low density. Ms. Dalaska was not adverse to development and understood that good, responsible development is necessary in order for the community to thrive and they need good operators like Stein's, who she considers to be a good neighbor. However, the master development plan says 54 units were approved. She thought that number was aggressive for the property, but to add in another 85 units basically doubles the size of the project from what was approved. Ms. Dalaska stated that even though this might not be adding additional density, she was concerned about the traffic and the parking. She commended places that have shuttles, however, she has yet to see a shuttle drive by that was actually going 25 miles an hour or slower. There were already traffic issues on a small, curvy two-lane road and the shuttles drive up and down Royal Street way too fast. In addition, since they cannot require their guests to not bring a car, she thought it was reasonable to look at the worst case scenario in terms of traffic. Ms. Dalaska was concerned about the safety issues that come from the traffic and the shuttles. She was also concerned about the precedent this sets. She has seen this project and others approved for a certain scope and number of units. If this were approved with lockouts that would be different; however, to change the nature of the project after it has started seems like a bait and switch. Ms. Dalaska believed that it sets a dangerous precedent for the community. In looking at previous minutes that talked about prohibiting lockouts, she questioned whether this project would have originally been approved in 2010 if it had been presented as a hotel with lockouts. Ms. Dalaska asked the Planning Commission to consider the existing neighbors, the safety on Royal Street and the economic viability of the entire neighborhood; and not just the people buying in to this new project.

Chair Worel closed the public hearing.

For the next meeting, Commissioner Wintzer asked Planner Astorga to talk about what the Deer Valley MPD approved and whether this proposal would change the original MPD in terms of number of units. Planner Astorga stated that he would research the Deer Valley MPD and provide that information. He explained that a lockout and nightly rental were allowed uses in the District. However, a lockout nightly rental requires a conditional use permit in the District. Planner Astorga pointed out that the 2010 approval indicated that if the applicant wanted a lockout, they would have to come back to the Planning Commission for a CUP.

The Work Session was adjourned.