

Town of Leeds

Agenda Town of Leeds Town Council Wednesday, May 22, 2019

PUBLIC NOTICE is hereby given that the Town of Leeds Town Council will hold a **PUBLIC MEETING** on Wednesday, May 22, 2019 at 7:00pm. The Town Council will meet in the Leeds Town Hall located at 218 N Main, Leeds, Utah.

NOTE: IF YOU WISH TO SPEAK DURING CITIZEN COMMENT, PLEASE SIGN IN WITH THE RECORDER.

Regular Meeting 7:00pm.

1. Call to Order/Roll Call
2. Pledge of Allegiance
3. Declaration of Abstentions or Conflicts
4. Consent Agenda:
 - a. Tonight's Agenda
 - b. Meeting Minutes of April 24, 2019
5. Citizen Comments: No action may be taken on a matter raised under this agenda item. (Three minutes per person).
6. Announcements:
 - a. Dumpster Days, May 31 – June 2, 2019
 - b. Declaration of Candidacy, June 3-7, 2019
7. Public Hearings: None
8. Action Items:
 - a. Discussion and possible action on Resolution 2019-02, Interlocal Agreement for Election
 - b. 2019-2020 Leeds tentative budget
9. Discussion Items:
 - a. L-3-1-7-1110 Lot Split, off Main Street and Majestic Mountain
 - b. Short-Term Rentals
10. Citizen Comments: No action may be taken on a matter raised under this agenda item. (Three minutes per person).
11. Staff Reports:
12. Closed Meeting- A Closed Meeting may be held for any item identified under Utah Code section 52-4-205.
13. Adjournment:

The Town of Leeds will make reasonable accommodations for persons needing assistance to participate in this public meeting. Persons requesting assistance are asked to call the Leeds Town Hall at 879-2447 at least 24 hours prior to the meeting.

The Town of Leeds is an equal opportunity provider and employer.

Certificate of Posting;

The undersigned Clerk/Recorder does hereby certify that the above notice was posted May 16, 2019 at these public places being at Leeds Town Hall, Leeds Post Office, the Utah Public Meeting Notice website <http://pmn.utah.gov>, and the Town of Leeds website www.leadstown.org.



Peggy Rosebush, Clerk/Recorder

Town of Leeds

Town Council Meeting for Wednesday, May 22, 2019

1. Call to Order:

Mayor Peterson called to order the regular meeting of the Leeds Town Council at 7 PM on Wednesday, May 22, 2019, at Leeds Town Hall, 218 N Main.

ROLL CALL:

	<u>Present</u>	<u>Absent</u>
MAYOR: WAYNE PETERSON	x	_____
COUNCILMEMBER: ALAN ROBERTS	x	_____
COUNCILMEMBER: DANIELLE STIRLING	x	_____
COUNCILMEMBER: ELLIOTT SHELTMAN	x	_____
COUNCILMEMBER: NATE BLAKE	_____	x

2. Pledge of Allegiance by Councilmember Stirling.

3. Declaration of Abstentions or Conflicts: None

4. Approval of Agenda:

Councilmember Stirling moved to approve tonight's agenda and meeting minutes of April 24, 2019. 2nd by Councilmember Roberts. Motion passed in a Roll Call Vote.

ROLL CALL VOTE:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
MAYOR: WAYNE PETERSON	x	_____	_____	_____
COUNCILMEMBER: ALAN ROBERTS	x	_____	_____	_____
COUNCILMEMBER: DANIELLE STIRLING	x	_____	_____	_____
COUNCILMEMBER: ELLIOTT SHELTMAN	x	_____	_____	_____
COUNCILMEMBER: NATE BLAKE	_____	_____	_____	x

5. Citizen Comments: None

6. Announcements:

a. Dumpster Days, May 31 – June 2, 2019

Mayor Peterson said Dumpster Days will be May 31st – June 2nd. The dumpsters, once again, will be located on Cherry Lane east of Valley Road.

b. Declaration of Candidacy, June 3-7, 2019

Mayor Peterson said Declaration for Candidacy for 2 positions on Town Council will be June 3-7, 2019. This is set by State statute. Forms are available from Peggy.

7. Public Hearings: None

8. Action Items:

a. Discussion and possible action on Resolution 2019-02, Interlocal Agreement for Election

Mayor Peterson said we had this on an agenda earlier in the year, but there was a request from the County to hold off approving it as they went through some revisions to it. This document has been reviewed, as was the original, by the Town Attorney and he is very comfortable with it. He highlights that it is cancelable by either party with a 30-day notice. The entire County is going to be voting by mail starting this year. We have been voting by mail as a community for several election cycles. It will now be county-wide.

Mayor Peterson asked for a motion to approve this agreement and Resolution 2019-02.

Councilmember Sheltman said I personally do not like the idea of voting by mail and I am sorry the County is going in this direction. I think part of a community is going to a central location to vote. It is a thing that helps with the sense of a community and it is gone when you do the mail-ins. I think it is sad personally.

Commissioner Stirling asked how do they verify that it is the right person who is casting the vote.

Mayor Peterson said they match signatures. The county is the recipient of the ballots. They match the signature on it with the signature on your voter registration record to make sure that the voter is indeed the person who is signing on the envelope. You are also making an affidavit that you are the person and not someone else casting the ballot. When you sign the outside of the envelope, they will match the signature against their records from the voter registration process.

Councilmember Roberts moved to approve Resolution 2019-02, Interlocal Agreement for Election. 2nd by Councilmember Stirling. Motion passed in a Roll Call Vote.

ROLL CALL VOTE:

	Yea	Nay	Abstain	Absent
MAYOR: WAYNE PETERSON	x	_____	_____	_____
COUNCILMEMBER: ALAN ROBERTS	x	_____	_____	_____
COUNCILMEMBER: DANIELLE STIRLING	x	_____	_____	_____
COUNCILMEMBER: ELLIOTT SHELTMAN	x	_____	_____	_____
COUNCILMEMBER: NATE BLAKE	_____	_____	_____	x

b. 2019-2020 Leeds tentative budget

Mayor Peterson said the budget process for this year has been extended so that you have until June 30th, it used to be June 22nd, in order to have a final budget in place for the next fiscal year which begins on July 1st. What we are doing as a Council this evening is the first in a three-step process, which is to approve a preliminary budget. That preliminary budget will be made available to the public at least 10 days before the hearing on it, which we look to schedule for June 12th, our first meeting in June. It could be approved that night, but our preference has been to have at least the one meeting later so that there is an opportunity to give some thought and investigate anything that might be raised by members of the public during the public hearing. That would be June 26th at which time we would look to approve the final budget. At this time, as the designated budget officer as the State code goes, I will walk you through the actual budget that is before Council tonight.

Mayor Peterson said going through the revenues, there is a CLG Grant that is carrying over. The actual grant expires at the end of August, and as a result, it was in the budget for this fiscal year should we have completed the work, but we are still in the process of doing that and that will be completed in the next fiscal year. This is remaining in the actual budget. There is something you are seeing as a transfer from beginning fund balance. There were things we did not spend on this year, but I think we will be doing next year. One is the CCC Camp Grant which we received from the County a matching portion, so that portion we did receive in 2018/2019, and now for 2019/2020, we will be carrying that forward because we have not yet spent it. We have the intention to replace the roof on Town Hall. This is in the budget and we are still talking with the State Historic Preservation Office. They have had a change in leadership, but they have indicated a willingness to discuss the possibility of designating Town Hall as a historic building. In the past, they have rejected that because it is not in its original purpose, but I have put forward the request for them to consider it in that it has had 3 half centuries at this point – originally up at Silver Reef, then moved down here where it was a 2 room schoolhouse, and now for the better part of 50 years, maybe closer to 40, it has been serving as a center for Town and Town Hall in particular. This is something that would be rolling forward because we did not spend the money this year. Antonio was able to identify that we do have a small amount of water that does come in. Codification is another item that would be rolling forward as with the park's money. There is the RAP tax that we collect as a municipality and this is something that we will be looking to spend in the recreation/parks area. This is why we will be carrying forward the \$45,601.00 in the budget right now.

Moving on to the second page, I would like to see us continue to have money for community celebrations. We are right off the heels of the 150th anniversary and I am remiss in not having mentioned earlier that we had many dozens of volunteers who made it a great success. We had over 500 people here in the Town park for dinner and for various events throughout the day, including a breakfast and a parade. I would hope that with what seems to be a rekindled community enthusiasm, we can bring back certain events. One that I have been told of, but has not happened since I moved here, is a Veteran's Day celebration in recognition of our many veterans.

The other item on the second page, I just highlight when it comes to general property taxes, I have used the same number that was in last year's budget. Within the next few weeks, we will be getting the final number from the County Assessor. Our choices are to use the number from the

County Assessor or go through an incredibly involved process that probably would result in us using the number provided by the County Assessor in terms of an estimate for County taxes. They do want to make sure that when municipalities budget, they are in coordination with what the County is seeing as the likely property tax revenue.

Moving on to expenses on Page 3, there is an increase in what is listed as Wild West Days, but it is community celebration. We need to update that entry once we get to finalizing the budget, but that will be an increase of \$2,500.00 that will balance out. I do not view these as being items that we are looking to really lose money on nor are we trying to make money on them. We try to make it so that we can just fund the community celebrations on a standalone basis. The building and maintenance we show as \$23,000.00 is in line with the estimates that we have gotten for a new roof. The reason for the delay relative to, as I mentioned, the State Historic Preservation Office, if we were to put on a very different roof on this building, the opportunity for it to be considered a historic building would be greatly diminished. We are wanting, I think, to get that other step done before we go ahead and actually put the roof in place. Under Planner, there is an increase there. We did get an approval of our CIB application. They are recommending it for funding. We have a matching grant from the Dixie Metropolitan Planning Organization. Those 2 grants are for \$35,000.00 each. We are asked to contribute \$1,000.00 to that, and with that, it will provide \$71,000.00 for the preparation of a General Plan and Master Transportation Plan and it will include things like production of maps which we know from our previous experience can be quite expensive. It will be very helpful to have these grants in place.

On the final page, there is an increase in legal expenses for our prosecutor and public defender, but that is balanced off against an increase in the fine revenues. This is what we have been seeing this year. If we were to look at the current year-to-date with respect to expenditures, our cost would be \$7,650.00 in terms of the prosecution cost. But when we look at the revenue side of this, \$7,805.00 is the amount of revenue we have received year-to-date. Again, the actual expenditure is \$7,650.00. It is matched out slightly more in the amount of fines than the cost at this point. The additional cost in legal that I see is for finalizing the General Plan. One of the next steps would be to make sure the ordinances are consistent with whatever changes are made, so I am suggesting an increase in the budget by \$3,100.00 for legal. Under election, last year was a non-municipal election year so we had no election cost. This year we have \$1,000.00 as an estimate for the County. The final note that I have is B&C Road Funds. We tend to accumulate them for a couple of years and next year, I think, we need to address Silver Reef Road. I think we need to decide whether or not it is a chip seal or a slurry seal. Slurry seal will last less time, but will also cost less money. The one factor that is pretty major here is the cost of that multi-thousand dollar stripe down the middle of it. If we slurry seal it twice, we will need to stripe it twice and it will be a function that I think the cost between those 2 as well as with experience with how well the slurry seal has held up. The other thing about chip seal is that it used to be possible to get Washington County, in their spare time, to utilize equipment that they had to do chip seal projects. Unfortunately, the County has gotten busy enough at this point that they are no longer making themselves available to do that so the chip seal may be a bit more expensive as a result of that.

The end result is that revenue versus expenses balances out with the exception of \$559.00. Rather than looking to finalize it here, knowing that the County is likely to give us a slight increase in the property tax number, I was comfortable enough to call this close enough for a tentative budget

and would present that as the tentative budget for the general fund for the Town. There is one additional fund that we have – a capital improvement fund. This fund allows us to accumulate money over a longer period of time and not subject to certain caps that the State has with respect to accumulating funds. This year, we came into the actual year with a beginning balance of about \$129,000.00. We spent some of that money on the Main Street curb and gutter, and as a result, we will have about \$67,000.00 and change and there will be some interest still accumulating. Next year, I do not have any initial plans other than interest will continue to accrue in that account. It is a pretty simple budget where the only item next year is a \$1,000.00 in interest income.

Having summarized this, are there any questions from Council?

Councilmember Sheltman said I know we have talked about this before, the municipal energy tax that is \$40,000.00 we are bringing in, is that subsidized at all with any other money from another entity or is this what we are taking from the people's energy tax?

Mayor Peterson said it comes from the actual utility provider and it is something they are charging on bills and passing through to us as a community.

Councilmember Sheltman said so the 6% is pulled straight from the people who live in Leeds or is there some extra that is added?

Mayor Peterson said it is based on what is collected from residents who live in Leeds.

Councilmember Sheltman said so we are taking \$40,000.00 a year from the people in Leeds on energy taxes? Is it gas and electric?

Mayor Peterson said that is gas and electric coming through that line item.

Councilmember Sheltman said and we are doing 8% on the phone?

Mayor Peterson said yes. The phone is something that has not been growing over time. Obviously, there are different means of utilizing phones these days.

Councilmember Sheltman said one other thing. On Silver Reef Road, have there been any ideas on making it wider?

Mayor Peterson said one of the challenges with making it wider is that it is a road right-of-way. In some areas, it is owned by the BLM which would be very challenging to widen and in some areas it is owned by opposite side of the street property owners towards the center line and in others it is owned all the way across by one property owner. Regretably, the only thing that is there is that it has been a utilized road, it is not one that the Town has actually gotten dedications of so it would be very challenging to try to add. Some of the curved areas are some of the more challenging ones as it goes through the area that the BLM has. It is challenging, but I would not be against looking into it further, but I would not want to raise hopes that we can easily do that either.

Councilmember Roberts said there is a set width that is the easement for that road.

Mayor Peterson said yes, and I believe we are utilizing every inch of the BLM easement that is provided there. Certainly, we will want to look into that.

Mayor Peterson asked if there are any further questions from Council.

Mayor Peterson said the process at this point would be to approve the tentative budget this evening and schedule a public hearing on the budget at our meeting on June 12, 2019. Can I have a motion to approve the Leeds tentative budget for both the operating fund and the capital improvement fund and to schedule a public hearing on those budgets for Wednesday, June 12, 2019 at 7 PM?

Councilmember Stirling moved to approve the 2019-2020 tentative budget. 2nd by Councilmember Roberts. Motion passed in a Roll Call Vote.

ROLL CALL VOTE:

	Yea	Nay	Abstain	Absent
MAYOR: WAYNE PETERSON	x	_____	_____	_____
COUNCILMEMBER: ALAN ROBERTS	x	_____	_____	_____
COUNCILMEMBER: DANIELLE STIRLING	x	_____	_____	_____
COUNCILMEMBER: ELLIOTT SHELTMAN	x	_____	_____	_____
COUNCILMEMBER: NATE BLAKE	_____	_____	_____	x

Mayor Peterson said working through our Clerk/Recorder, we will be looking to make this available at least 10 days before. We will try to do more than that in order to give the public time to review it in advance of the public hearing.

9. Discussion Items:

- a. L-3-1-7-1110 Lot Split, off Main Street and Majestic Mountain

Mayor Peterson asked Scott Messel to do an introduction on this item.

Scott Messel said the Potters came to the Planning Commission because they are looking to divide their parcel to create 2 lots. The Town Code states anytime a parcel of land is divided into 2 or more parcels, it needs to go through the subdivision process. Part of the reason they are going through this and wanting to subdivide it is for their lending and they can go into more detail about this. They presented their proposal to the Planning Commission. The Planning Commission made comments that this is a non-traditional lot. It is not quite a flag lot because a flag lot has a stem portion that is attached, but here there is more of an access easement going across the property. They do not own all the property that the easement is on. It does not have the frontage that you would normally have on the street with a traditional lot. The Planning Commission reviewed it and they were in favor of the applicant being able to move forward. The applicant has not submitted an application yet. The applicant is hoping to get a feel from the Town Council as to whether or not this is something they would entertain before going through the added expenses of creating a subdivision plat. This why they are here tonight.

Mayor Peterson asked if there is anything the future applicant would like to add at this time.

Lynn Potter said I am here just to get your opinions on this before we spend a large amount of money on the minor subdivision and everything that goes into it. I am asking for personal opinions. This is something that you do not have on the books. You do not have any kind of regulation for this. It is not a flag lot. This is not something that you have anything for or against. The purpose of this is that Fannie Mae changed their rules and now they do not make loans on properties over 10 acres. Even if you are under 10 acres, if the land is worth more than 30% of the dwelling, they will not lend on it. We have to be larger than 9 acres for the septic and we have to be less than 10 acres for Fannie Mae to lend on it. The easiest way to do it is to cut off the 2-acre parcel that has some commercial zoning on it. My question is are you positive or negative on it? What do you think, Mr. Roberts?

Mayor Peterson said if you do not mind, we will have a discussion on this rather than a polling. I believe Danielle was able to obtain information relative to the Fannie Mae situation. It sounds like it is commonly misunderstood the way you have been told.

Lynn Potter said this is what they are telling us.

Councilmember Stirling said I called Fannie Mae today and talked to a representative and she told me where to find this information on the internet. She said a lot of people misunderstand that FHA will back loans for rural properties, but there is a limit to the amount of acreage that can be included when determining the loan value for loan purposes. They will back the value of the first 10 acres of the property and the first 10 acres must include the home. It is not that you cannot have more than 10 acres, they will only back the value of the first 10 acres. I asked her if she has ever heard anything about having to subdivide and she said never.

Lynn Potter said knowing banks, they probably will not file a lien on only 10 acres of your 12 acres. They would want the whole thing or nothing at all. They would have to file a partial lien.

Councilmember Stirling said it is not about the lien because they will back the value of the first 10 acres, but the lien will be on the entire parcel ID.

Dianna Powell, the owner of the property, said no lender in Washington County will quote us a loan. I have been to every bank in Washington County and the only one who would talk to us is the Farm Loan Bureau. They stated that we would have to actually show that we have the potential for a farm income before they would actually quote a loan for construction. They cannot farm the loan out. They cannot package the loan and actually sell it to some package entity and distribute the loan to someone without a full Fannie Mae or Freddie Mac guarantee and it being under 10 acres. There may be a misunderstanding on what FHA says and what the banks understand. But they will not touch the loan without it being within their guidelines.

Councilmember Stirling said I am a little confused about why you think it is not a flag lot. Tell me the definition of a flag lot.

Scott Messel read excerpts from the Town Code describing a flag lot.

Councilmember Stirling said what I found is in Chapter 4.3.2.1 and it says, "the use of a flag lot should be avoided if at all possible and never included in a new development". My concern with this is basically your minimum area that you have to have for this particular lot. Once we divide it, it can be sold to someone else and they will inadvertently come and say we would like to build on this. We bought this land and it did not have anything on the title. My biggest concern is the fact that we are creating something that no one can ever use, but there is a potential of it being sold to someone thinking it can be used.

Lynn Potter said that is true, but it shows up in title that an easement is on there and the easement would be used for the large parcel and the smaller one. As far as it never being able to be used, it could in theory have a house built on it. There is about 4,000 Square Feet of the 2 acres that you could put a house on. If they went through the modified septic complex; they could build a home on it. Does it say that the flag portion of the stem has to be owned by the flag lot?

Scott Messel said no.

Lynn Potter said I thought it did.

Councilmember Stirling said by dividing it, you are creating a flag lot because you have to go through one in order to get to the other. The only other concern that I have is your minimum area width and yard requirements for an R-1-20. I do not know if that would work for that particular parcel.

Lynn Potter said that is true, it may not. The actual portion that is buildable is zoned commercial.

Councilmember Stirling asked what is the easement width.

Lynn Potter said I had it drawn up for 25 Feet because I did not want to come up short in the future.

Scott Messel said it is 20 Feet. Another thing is our Code does not permit us to approve what could be considered a dry lot, not having utilities available. Something would have to be shown that utilities could be provided to the property.

Lynn Potter said there are 2 utility access points. One is on Majestic Mountain and the other one is on Roundy Mountain. Utility access points and utility easements are there. We have a will serve letter for one. The other parcel has to be created before we can get a will serve letter.

Councilmember Sheltman said this is a real troublesome lot as it is. When you bought the property, I think there was an understanding that it would be a difficult thing to work with it. I am empathetic to the loan problems you are talking about, but as troublesome as it is, and it is a flag lot without the easement that the Town gave to the applicant or future applicant, you would not be able to get into it. Splitting it down to 2 acres, the way it is configured already, I see some trouble as for future groups having to work with it. You are also creating a dead lot because the septic

system you are talking about has never been approved. As for water, you are going in a whole different direction. If you got an approval it is for what you have right now. If you split it, there will be problems. There may be problems enough that you may not be able to do it. I am empathetic about what you have brought before us and I can appreciate you thinking that you make something with the property, but I do not see how we can put this in place knowing it will be a future problem for the next group of members on the Council. We have worked hard to eliminate that kind of property.

Lynn Potter said it is already a problem. We can probably get financing the hard way. But with this change, it is a little more functional or at least part of it would be.

Councilmember Sheltman said personally, the way I am looking at it, I do not see where it becomes that. It actually is creating a whole new problem with a dead lot. We do not have ordinances in place for these sewer systems. For me, to make an assumption that this is something that will be available in the future, I do not think it would be correct right now.

Lynn Potter said that may be true, but you cannot say it will never happen in the future because it is a proven technology.

Councilmember Sheltman said if you came before us with an application like this, I do not think I would say you could eventually do that because I am not sure this is what will be available. Right now, the way it is set up, I do not see it as being viable.

Councilmember Stirling asked how much of the slope do you have on that property, the 12 acres. How much is not viable to build on?

Lynn Potter said I think there are at least 4 or 5 acres that are not buildable.

Councilmember Stirling said the only other thing I can think of is to subdivide that area.

Lynn Potter said that is an option. We could spend the money on more surveying. We could cut that cliff portion out and dedicate it to the Town. I do not know if that will give us the 2 acres that we need.

Councilmember Stirling said my only concern is not to open up a potential problem for someone else. I think as a Town Council in general, we do not want to open a problem, but we do want to work with you in a certain way where we do not let someone else think they can build on something that they cannot. If you did something where if it was on the records as definitely not being buildable, I would not have a problem with subdividing 2 acres that would never be able to be used.

Lynn Potter said that makes sense.

Lynn Potter asked Scott Messel in order to dedicate a portion of your property to the Town, do you have to go through a minor subdivision.

Scott Messel said I do not think you would have to dedicate it. I do not think you would be required to dedicate it if you created a non-buildable lot. It would just be a non-buildable lot unless the Town wanted it. It would just be something that is called out on your subdivision plat and it would have language on it as a permanent open space or whatever you end up calling it.

Lynn Potter said we would have to do another survey.

Scott Messel said yes. It would need to be called out and have a legal description shown.

Councilmember Roberts said what you are asking to do is to create a flag lot. I would not look at any potential applicant and say no do not run it through the process. If you want to run it through the process, that is your call. The process starts at the Planning Commission. I do not think it is fair of you to ask the Council, at this stage in the game, what they think about this. If it goes through the process and meets all criteria, it is a done deal. As far as a municipality looking at the difficulties an owner has with financing, you will not get any compassion from me on that. As a Councilmember, the financing on this is none of my business.

Lynn Potter said that is correct. It was brought up as a point of reasoning. I hate to disagree with you on this, but the Planning Commission said they would be fine with this. But I have learned about Town Council, even if it does not say no on the books, it comes down to people's opinion as to whether they want it or not.

Councilmember Roberts said no. We allow flag lots. It is written in the ordinances that they are allowed under certain conditions.

Lynn Potter said if you do not want one, it will not happen regardless if I jump through all the hoops. And then I would lose all the money I spent on it. I just wanted your feedback and if your feedback is to advise me not to then I thank you for that feedback. So, I have gotten enough feedback here saying save your money. Thank you.

Mayor Peterson said sometimes banks misinterpret the rules and sometimes they implement rules that go beyond what the minimums are. I think with what Councilmember Stirling quoted, I would be shocked if every bank in Washington County understood the language of that. It would be worth asking the question about the Fannie Mae language. I can see where people would easily interpret it as it cannot be over 10 acres. I would expect you would be putting up the entire acreage. They are just saying they will not calculate the loan value on any acreage above 10. But I would expect that they will want that as a lien because they cannot divide a parcel.

b. Short-Term Rentals

Mayor Peterson said when last we were discussing it, there was a section, Chapter 30 of the Virgin Town Code, that addresses short-term rentals and residential hosting facilities which Councilmember Sheltman suggested perhaps as a better starting point. We also had a draft of something that had also come out of Virgin that we made some modifications to. I am curious if other members of Council have opinions about Chapter 30 versus the other starting point that we were utilizing with respect to trying to come up with terms of a decision on short-term rentals.

Councilmember Stirling said I had a couple of calls and also a letter from individuals. I have mulled this over to the point that I really believe that in our ordinance we need to put which areas are allowable and which areas are not and include the homeowners' associations and the areas in our Town that do not allow them. We need to specifically put that in any short-term rental or residential hosting facility ordinance so that there is never a problem or what others have gone through in the past.

Mayor Peterson said I think we will want to make sure to get a legal opinion that we could do it that way and exactly figure out how to define it if this is something we want to do. We need to make sure we are not being viewed as enforcing CC&Rs, but I understand what you are saying. You are saying we should draft the actual language that says which parcels are eligible and which are not.

Councilmember Roberts said it is very easy to leave that open for those areas that have CC&Rs. Say, for some reason they want to change them in the future, it is easy enough to just place that language in there for any area that is controlled by CC&Rs must have approval. This way, we do not lock it in for any specific area. We will allow those entities to act with the jurisdiction that they have.

Councilmember Stirling said maybe at one point on the application, if they do live in some area with CC&Rs, it has to have a signature from the president.

Councilmember Roberts said in the application process, they would have to have some type of verification that says they live in an area that has CC&Rs and that they allow it. But this is in the application process.

Mayor Peterson said if I am hearing correctly, it would be the burden of proof that it is permissible for the applicant to show that.

Councilmembers Stirling and Roberts both said yes.

Councilmember Roberts said I am a little bit slow on this one because I thought in the discussion we had we were looking at short-term rentals happening in a home that is occupied by the homeowner. I know that Virgin's does not get that definite because they allow it. They are looking at a short-term rental not being occupied by the homeowner at the same time. I thought our discussion here as Council members was leaning towards this is the direction we want to go. That is going to give a specific contact for any issues that come up. Councilmember Sheltman's greatest concern is how do you deal with problems that could come up with short-term rentals. And the Town not spending a great deal of funds on trying to mitigate the issues or having the ability to have the Sherriff respond to those. Some would say it sounds like a bed and breakfast. I do not care if they serve breakfast or not. If you want to do a short-term rental, you better do it in a house that you reside in or do not do it at all.

Mayor Peterson said the one thing that I noted with Chapter 30 is, through the bottom of Page 7, it refers to short-term rentals, STRs as they abbreviate it, until it gets into RHF which is Residential Hosting Facility. The point that I believe you raised, Alan, is that this is what we were talking of with respect of how things would work. A Residential Hosting Facility is a room within a home where the owner is presumably present as opposed to a short-term rental where the entire property is made available to somebody who is not the owner of the property. It really was not as extensive in terms that everything related to STR is something that we are saying we are going to prohibit and, therefore, we are going to be looking at the Residential Hosting Facility. And they mention with their approach that it is a conditional use in residential and agricultural zones subject to obtaining and maintaining a residential hosting permit. This is something we have spoken about, I believe, with the other starting point was the idea that it was not a conditional use but rather it was a special application you needed to make in order to be permitted, with the owner present, to rent up to 2 rooms, up to 4 people, at a time. I think they become very similar to each other once you get to the bottom of Page 7 and there it has some differences. I have viewed from Page 7 onwards as a lot closer to what they had on the other document that we started with. Elliott, do you have further comparisons between the two?

Councilmember Sheltman said the reason for me brining up Chapter 30 is because I figured they went through all the discussions. What you are really looking at with 30 is the finished product. It has some problems, and if you look on Page 6, 30.1.7.b, it says complaints – “complaints from adjacent or nearby property owners about the STR unit must be in writing to the Town office and it will be responded to by the Town within a reasonable time period”. I do not know what a reasonable time period is – a couple of hours or a month? It is clearly ambiguous. I do not think it is very tight at all. There are several other things that I could point out. I thought if we are going to go with a draft why not go with this one. Being the broken record that I am, enforcement is the number one issue here. What Virgin has decided to do, you can send them a letter, I have better examples here.

Councilmember Sheltman read an excerpt on Palm Springs using a vacation rental hotline, 24/7. Is this realistic for the Town of Leeds? The response time in Palm Springs is 20 minutes. The neighbor does not have to do anything but pick up the phone. I am going to repeat it again because I think someone has to say this, I am against these things. This is not a residential neighborhood use and it never has been. The goal here is to take away whatever community you have with a residential area. It puts a price on your neighborhood, you house and the enjoyment that you have living in your neighborhood. These are hotels. I think we need to stop it. We do not have the big money boys here, it is just us, and we can outlaw it. If one pops up, you call the Sherriff and show him the ordinance. The Sherriff fines the owner. I think we need to outlaw these. Why don't we do something no one else in the County is doing? It might even increase the value of our properties. It sure would increase the sense of community that we have right now because that will go away. There is no limit on how many of these things will be put in a neighborhood. You could end up with them all around you. What will happen to your property value when that happens? Would you live next door to one of these things? In disclosure when you sell your house, do you have to say I have a party house next door?

Mayor Peterson asked Council if they would to like to respond or add anything.

Councilmember Stirling said what is your opinion on bed and breakfast.

Councilmember Sheltman said it is the same thing in a residential community which is why we never addressed that either. Someone decided to put bed and breakfast under conditional use and there it is. It came before Planning Commission when I was on Planning and we lined it out. Someone thought the restrictions were too harsh so they went home and opened one. This is a good time for us to take care of something that will be a problem here eventually. It is a problem everywhere they have them.

Councilmember Stirling said are you saying not to have bed and breakfast?

Councilmember Sheltman said if you want to put them in areas that are okay with that. If you have places that have parking. Maybe you do them under some new zoning in certain parts of town. Under residential? No because it is a hotel. It is still short-term, and you still have strangers living next door to you. You have every right to rent your property long-term. Anything over 30 days. What is wrong with that? It is your right.

Councilmember Stirling said so is Residential Hosting Facility the same as a bed and breakfast?

Councilmember Sheltman said the way Virgin has it set-up, you do not have to live on the property. It says you have to be a resident of the town. I do not necessarily agree with 30. I thought it was something we could use.

Mayor Peterson said what I have heard people saying is that there is an issue out there that people are doing this without authority to do so. What we are saying as Town Council, as I understand this process we are going through, is that we are going to define it very, very closely. We are going to make it absolutely clear that the owner must be present during the time of the rental. That it is a maximum of 4 people and a maximum of 2 rooms in the home. We will have the homeowner in the property.

Councilmember Sheltman said the thing I keep going back to, and I have not gotten an answer to it yet, is enforcement. The enforcement that I have described here, can we do that? I am not hearing an answer on enforcement. And how will we do it without dragging the neighbor into it? I have brought this up repeatedly and I would like to know if we can do this. Will there be a phone number these people can call and get a response within 30 minutes?

Mayor Peterson said the actual violation would be same as if there was nobody being rented to on a property. It does not take more than the owners of a home to generate a party. It does not require you to have rented out up to 2 rooms to do that. If you rented to 25 people with no owner present, you have a much more challenging situation. If people are violating the law with regard to noise that is being generated from a property, the Sheriff will respond to that.

Councilmember Sheltman said under normal circumstances?

Mayor Peterson said a residential neighborhood as it is now, you can report to the Sherriff if the people who live next door to you are making excessive noise and they will respond to that complaint.

Councilmember Sheltman said they will, and they will go to you as the neighbor complaining and have you file a report and sign it. And response time will be 2 or 3 hours. You are talking about a residential house where people live all the time. They call these vacation rentals – it is a vacation. Vacationers like to party and have fun.

Councilmember Roberts said we are still talking about a resident who lives there. The resident who lives there will be held accountable for the actions of the people he brings onto his property. That action could be you can no longer conduct this type of business if you are not going to be responsible for the actions of the people you rent to.

Councilmember Sheltman said do we cover that as the Town or do we make them go to the Sherriff directly or do they come to us?

Councilmember Roberts said that is a good question. I do not have the answer to that. You can look at it both ways. If you create that ability within the Town then you have to fund that ability. If you have some type of enforcement that is taken care of by the Town for a reasonable response and in a reasonable time rather than waiting 2 hours for the Sherriff then the Town will have to fund it. No one will do it for free. This is something that will have to be considered.

Councilmember Sheltman said this is the most important issue. Who takes care of problems?

Councilmember Roberts said right now it is like the Mayor said, you will call the Sheriff.

Mayor Peterson said he would highlight in the proposed language it does say, and this is going back to the original and not Chapter 30, complaints that violate Town ordinances that are not resolved in a timely manner by the property owner may cause revocation of the permit and the short-term rental use of that property until the violation is resolved. I would not want to try to tempt people to say just call the enforcement officer that we have, who happens to be the Mayor. I would go and observe the violation. Following the logic behind this is that a property owner who has rentals in place is probably less likely to have noise coming from their property rather than someone who has family and friends over. If you are a homeowner and subject to penalty because you are not complying with Town ordinances, and you are renting out a portion of your home, I would think you would be discouraged from having a party at your home while you are renting it out in fear that it will add up to a situation that will be costly. I am not as concerned, but I agree you need to have enforcement. I do not think it will go up dramatically, and it might even go down, by saying we have these rules in place and you might even lose the right to rent out up to 2 rooms, up to 4 people, if you violate Town ordinances with those visitors present. I do not immediately equate a couple of people in a couple of bedrooms in an owner occupied home with a party house. In fact, I would argue with you that you have a better chance of it being a tamed down house just to avoid any kind of problem.

Councilmember Sheltman said is anyone thinking about any restrictions on how many licenses you will allow? And can you put these next door to each other? Or will we have some sort of guidelines or stipulations that they have to be a certain distance apart?

Councilmember Roberts said in my opinion, if we are looking at the homeowner being there, I do not have an issue with them being right next door to each other. This is totally different from a standard short-term rental or vacation rental. The owners do not live anywhere near them. And they want to pack as many people in as they can.

Councilmember Sheltman said you do not think there would be a problem if these things started to spring up in the same spot? What about parking? If you have 4 people in 2 bedrooms, but you have 5 of these around you, that is a lot of people. And do you have stipulations on how many times you can do this per year? You can only do this so many times per year so everyone will get a break. Just so it is not continuous.

Councilmember Roberts said you could build that in if you thought this was a direction to go in. If it is drafted under the conditions that we have had some discussion on, I do not see a lot of people doing this. The individuals who will want to do it, they will not want to lose the ability to have it. They will be more responsible about what takes place on their property. When it comes to the parking portion of it, you will need to look at each applicant separately. This is something that needs to be built in here that says if you do not have proper parking to accommodate 4 guests, or 2 rooms, you will be limited. These are things that need to be addressed in the ordinance.

Mayor Peterson said let me try to move this forward. If I could start with a couple of conditionals to ask Council about. If we were to go forward and try to come up with something that we felt was applicable, would we be better off starting with what we have been working on or Chapter 30? I think we need to identify which is the better starting point. I will poll Council beginning on my right.

Councilmember Roberts said I think we should start with Chapter 30. There has already been a lot of work done to get the document where it is at. I am not saying we should say this is it, but I think it is a better place to start rather than our original.

Councilmember Stirling said I do agree with Elliott about not doing short-term rentals without owner occupancy in it. I think what we are actually doing is setting up guidelines for bed and breakfasts or residential hosting facilities. Instead of doing a new ordinance, maybe what we need to do is put the limitations on what we already have for a bed and breakfast.

Councilmember Roberts said I think we want to pull that out of conditional use permit. It could be much harder to deal with where it is sitting in the ordinance now. It needs to be stand alone.

Councilmember Stirling said even if it is stand alone, if the conditions were met, wouldn't they be able to do it either way?

Councilmember Roberts said it becomes more problematic from a legal standpoint dealing with a conditional use. If it is stand alone, it goes through legal rather than administration. Scott can explain it.

Scott Messel said one of the possibilities you could do if you pull it out of conditional use, it could be something similar to a rental dwelling license and it could fit under your business licenses. Businesses have to register with the State, and they would have to say they are an air B&B or short-term rental. This would help to recoup some money, because the income they would be getting, some of it would come back to the community. You could do your conditions in the business license for a short-term rental. You could have parking requirements, you could have number of occupant requirements, hours of operation and you could have the good neighbor brochure in there. Then, you would be revoking a business license if there was a problem.

Councilmember Roberts said this is an annual thing. Once you have conditions on it, it is locked in.

Mayor Peterson said it sounds like Chapter 30 is the preferred starting point. Would it be reasonable for everyone to submit changes that they think should be made? I do not think we have gotten to a far enough point where we could turn it over to the Town Attorney. At the cost that will be involved, I think we need to get a little more specific with what we are asking for. It sounds like perhaps then we are saying we have a new starting point which would allow us to bring over comments that were made to the previous one and expand on things here. Is there agreement that we are focusing only on Pages 7 thru 12? This is where they talk about residential hosting facility. There may be some definitions up front that we need to keep in place. But the concept of short-term rental is something we are not trying to apply language to.

Councilmember Roberts said that is the way I read it.

Councilmember Stirling said yes.

Mayor Peterson said this is a 5 Wednesday month, so it will be 3 weeks from tonight that we would be looking at to try to bring this together. I think in order to try to move this forward, we should try to have our comments in, and I would be happy to have them consolidated with different color coding for whose comments are which just so we can have a document. We cannot go back and forth with each other on this in the 3-week time period, but we can prepare a new document for review at the next meeting. And we can circulate it beforehand. At the open public hearing review training that we had here a few months back, there are things called electronic meetings. We do not want this to be back and forth. What we are doing here tonight may seem painful, but it is the way the law reads, and we have to do it. I suggest that we prepare a new draft and it is not going back and forth. Once we start talking amongst each other without it being here, it becomes problematic. If we just circulate a document saying these are each other's comments or Council's suggestions, it is a new starting point that will be more productive at the next meeting. Is this reasonable to Council? If so, we will do this between now and the 12th of June.

Council agreed.

10. Citizen Comments:

Kohl Furley, Hurricane Valley Fire District, said we are roughly at 1260 calls for service this year. We are up about 140 calls from last year. He gave an update on the new Station 6 which is the new station in Coral Canyon that was jointly built with Washington City. We are using the new station for training. We have 30 recruits going through right now – 17 for Hurricane Valley Fire District, 7 for Hilldale and 6 for Washington City. It is easier for the State to basically rally the resources if we combine the classes like we are doing now. These recruits are volunteers. Just to update everyone, burn season is closed. There is a possibility it could be extended, but I have not heard anything about it yet. I have volunteered for a position on the bomb squad and went through 6 weeks of training.

Alan Cohn said everyone on Council had valid points. I agree it should be strictly owner occupied and not just someone who resides here in Town. If we are stuck having to do this, the owner must actually live there and not just show-up when there are people staying there. It should be in accordance with local CC&Rs. It is a business so I personally think it should be strictly in the commercial zone areas and not in the residential areas. I did not buy into a commercial area to have a hotel next door. If someone bought too much house and they have to rent out rooms to be able to keep the house, then sell it and buy a smaller house. If it is a business, tax it like a business. Charge them hotel tax. There is your enforcement money.

Darryl Lewis said a concept that is rather important to a town our size has to do with Leed's treasure. What is our treasure? Is it our views or quietness? Or is it our people? I would suggest that it is our people. I would like to make a suggestion to the Council that anything new that is brought into this Town should meet a bar that does not adversely affect the treasure in our Town. I have become aware in the last 10 days that people have actually moved out of this Town because they do not like it anymore. Not because they moved to something better. They wanted to live here, but the Town changed. It was no longer satisfactory to them so they moved. We are discussing tonight short-term rentals and owner occupied. What happens if the owner is living at the house, but the owners have full time jobs and work 12 hours? They live there, but the people renting it have no one there who is responsible. They can do whatever they want to do. And the owners can work nights and own the property. We have many areas in this Town where someone was renting under the guides of 2 rooms and 4 people, potentially 4 cars, they could be blocking at least 3 driveways in front of the house they are renting because the houses are that close together. And there is no parking space. He told a couple of stories that were printed in AP last week. When we say owner occupied, we do not understand what that means because they could be working 12 hour shifts at night. They are owner occupied, but there still is not any accountability. Just parking is a huge problem.

Lynn Potter said I think you are doing a great job with the ordinances. Thank you very much. I agree with Darryl here a little bit. Because most homes are really close together, I think it should be based on house size. Under a certain size, it should not happen for short-term rental. The key to happy neighbors is not just issuing ear plugs to everyone, but distance. Separation from your neighbor. Darryl does have a point.

11. Staff Reports:

Councilmember Sheltman and Councilmember Roberts discussed waste management and recycling and whether or not recycling will continue.

Mayor Peterson said he attended the weekly Wednesday meeting at UDOT regarding work on Main Street. The contractor had a hot plant problem that led to a delay. Work was supposed to be done by Friday of last week. They have also had some weather issues. The new schedule has them finishing up by tomorrow with everything except for the raising of some of the access points for utilities. Most of those are on the shoulder. You probably noticed that we now have a yellow center line and 2 white lines off to the side. Just be mindful getting on and off I-15. It could be challenging particularly tomorrow as they will be finishing things along Cemetery Road.

Councilmember Stirling asked if they will be fixing the drop off in front of the Post Office.

Mayor Peterson said yes, they will fix that drop off and on other roads around Town. They will not be done completely until the end of June. As long as they do not get anymore delays, we can have a 4th of July without situations on the streets. We did great for the 150th Celebration, but it was a challenge having 500 people here in the park with limited parking on Main Street.

Mayor Peterson said regarding the Washington County Water Conservancy District, we are signatories to an agreement there, and I am invited, as Mayor, to a quarterly update. All of the reservoirs in Washington County are at or above 100% of capacity. They are expecting to keep that level for about another 45 days. There is still significant water on the mountain.

Mayor Peterson said the 150th Celebration went very well. We have a total of 80 pavers that have been ordered that will go around the oak tree that has been planted out front. There will be some activities planned for the 4th of July and opportunities to volunteer will be available. A lot of volunteers made the 150th Celebration possible. The feedback on the 150th has been really positive and I hope the Town had a really great time.

12. Closed Meeting: None

13. Adjournment:

Meeting was adjourned at 8:50 PM.

APPROVED ON THIS 12th DAY OF June, 2019



Mayor, Wayne Peterson

ATTEST:



Peggy Rosebush, Clerk/Recorder