Midway City Council 4 February 2020 Regular Meeting

Wasatch Mountain State Park
Annexation / Further
Consideration



CITY COUNCIL MEETING STAFF REPORT

DATE OF MEETING:

February 4, 2020

NAME OF PROJECT:

Wasatch Mountain State Park Campground

Annexation

NAME OF APPLICANT:

Wasatch Mountain State Park

AGENDA ITEM:

Annexation – further consideration

LOCATION OF ITEM:

Wasatch Mountain State Park Campground and

surrounding areas

ZONING DESIGNATION:

P-160

ITEM: 14

Wasatch Mountain State Park is petitioning the City for annexation of a relatively small portion of the State Park. The area that is included in the petition is a section of the golf course, campground area, and some undeveloped sloped areas.

BACKGROUND:

Wasatch Mountain State Park, in cooperation with Midway, is petitioning the City for annexation of a relatively small portion of the State Park. The area that is included in the petition is a section of the golf course, campground area, and some undeveloped sloped areas. The reason for the proposal is for the communal benefit of continuing to have the ability to collect resort tax. The area proposed for annexation includes the campground area which would greatly benefit the City regarding complying with State Code requirements to collect resort tax. The addition of the camp spaces in the City limits would allow the City to continue to collect the resort tax which is worth hundreds of thousands of dollars to the City each year.

The proposed zoning for the property P-160 which is a very low-density zone. If the State Park property is annexed into the City, it appears the City would not have much control over future development in the park much like Wasatch County currently does not have much control over current development. The property is owned by the State and the State has land use authority over the property even if the property is in the City limits. The City does need to assign a zone to the property so staff has determined that the best zone would be one very similar to what the current County zoning is. It is unlikely that the zoning will ever be used on the future development conducted by the State Park but there is the remote possibility that the land may become private in the future. In times past, the State Park has traded park property with private owners. If the property is ever owned by a private individual, then the zoning would determine the allowed land uses and regulations for the property.

The City has discussed annexation with the State Park and both parties agree that annexation is a possibility. The City cannot force the State Park to annex any of its property because, in this situation, the State Park is petitioning the City for annexation. The State Park has some requests that appear to be reasonable, such as the City would take test samples of the State Park's water system and submit those for water testing along with our own water samples. Those requests will be considered during the annexation process.

The annexation will leave an unincorporated island in Wasatch County. This area is between Warm Spring Road and Pine Canyon Road and north of the City's current boundary. Staff feels it is important to not annex this area now but to wait for the property owners to petition the City in the future for annexation. If the owners petition the City, then a development plan is required along with any other items the City Council would like addressed. If the properties were forced into the City without the property owners being petitioners then the City could not ask for a development plan, annexation agreement, or any other items. For the State Park area to annex, and to leave the unincorporated island in the County, Wasatch County Council will need to approve leaving the unincorporated island in the County. Staff has been working with Wasatch County on this issue and has solution that may be agreeable to both parties. Basically, the City would take the responsibilities of maintain Warm Springs Road and Pine Canyon Road in the annexation area and Island area from the County. With that understanding staff feels the County will approve the plan.

ANALYSIS:

Midway City is a small community with an estimated population of 5,257 that is significantly impacted by tourism. It is surrounded by the Wasatch Mountain State Park, Wasatch Mountain Golf Course, Soldier Hollow Olympic Venue, Soldier Hollow Golf Course, Deer Creek Reservoir, Deer Creek State Park, Jordanelle Reservoir, Jordanelle State Park, and the Wasatch National Forest. It is home to the Zermatt Resort, Homestead Resort, Crater Springs Golf Course, Blue Boar Inn, and several bed and breakfasts. Because of its location it has become a resort and tourism-oriented community with the

associated benefits but also the inevitable traffic, demands on infrastructure, and other challenges.

In 2006 the City imposed the Resort Communities Tax (UCA 59-12-401). This tax can be levied if a communities' "transient room capacity" is greater than 66% of its census population. In Fiscal Year 2019 this tax provided almost \$685,877 or 15% of the City's general fund revenue. Since 2006 the City has received almost \$6.13 million in revenue from the tax.

The additional revenue from the Resort Tax has been valuable to the City. It allowed the City to implement a ten-year plan to replace, repair and maintain the infrastructure that is in part impacted by tourism. This infrastructure includes roads, water, parks, sidewalks, and trails. The extra revenue also allows the City to purchase additional equipment, such as snowplows, to better maintain this infrastructure. Additionally, other tourism related impacts such as increased law enforcement will need be addressed.

Unfortunately, the City's transient room capacity has remained constant while the impact of tourism has increased. Wasatch Mountain State Park, Jordanelle State Park and Deer Creek State Park are some of the State's most visited parks and have seen year over year visitation increases. For example, Wasatch Mountain State Park had 366,230 visitors in FY 2018 which was a 29% increase from FY 2015. Many of these visitors live or stay along the Wasatch Front or in Park City. They visit the area but do not stay overnight.

The City has created a multistep plan to continue to collect the resort tax. The first step to annex this relatively small area of the State Park. The addition of the current campground sites will help the City to continue to collect the resort tax for some years. The second step that will help the City to continue to collect the resort tax is to add additional rooms in Resort Zone areas. There are several options available, but the most likely option is redevelopment of The Homestead Resort.

POSSIBLE FINDINGS:

- Annexing the campground into the City limits will help the City to continue to collect the resort tax which is beneficial to all residents of Midway.
- The State is agreeable to the proposal and has worked with the City so that annexation can occur.

ALTERNATIVE ACTIONS:

- 1. <u>Approval further consideration of the annexation</u>. This action can be taken if the City Council finds the proposal is acceptable and in the best interest of the community.
 - a. Accept staff report
 - b. List accepted findings
 - c. Place condition(s)
- 2. <u>Continuance</u>. This action can be taken if the City Council finds there are unresolved issues.
 - a. Accept staff report
 - b. List accepted findings
 - c. Reasons for continuance
 - i. Unresolved issues that must be addressed
 - d. Date when the item will be heard again
- 3. <u>Denial of further consideration of the annexation</u>. This action can be taken if the City Council finds that the request is not acceptable and not in the best interest of the community.
 - a. Accept staff report
 - b. List accepted findings
 - c. Reasons for denial



