



Midway

**PLANNING COMMISSION MEETING STAFF REPORT**

**DATE OF MEETING:** June 8, 2021

**NAME OF PROJECT:** Transient Rental Blanket Conditional Use Permit for Rising Ranch Subdivision

**NAME OF APPLICANT:** Sam Castor

**AGENDA ITEM:** Conditional Use Permit

**LOCATION OF ITEM:** 425 Homestead Drive

**ZONING DESIGNATION:** R-1-22 within the Transient Rental Overlay District

**ITEM: 8**

Bow Hunting Skills LLC is requesting approval of a conditional use permit that would allow nightly rentals on future dwellings that would be built in the subdivision. The property is located at 425 Homestead Drive and is in the R-1-22 zone and Transient Rental Overlay District.

**BACKGROUND:**

Sam Castor, agent for Bow Hunting Skills, LLC, is requesting a blanket conditional use permit for transient rental units on each lot of his proposed subdivision known as Rising Ranch. The proposed subdivision has seven building lots and is currently being reviewed for final subdivision approval. The property is located at 425 Homestead Drive and is located in the R-1-22 zone and within the Transient Rental Overlay District (TROD). Unlike properties in the C-2, C-3 or Resort Zone, residentially zoned properties that are within the TROD boundary, require conditional use approval in order to be rented on a nightly basis. Once they have received conditional use approval, they are required to obtain a transient rental business license from the city.

Any CC&Rs that govern the subdivision should be written so that they do not specifically prohibit transient rentals. If they do, a license may not be approved. If approved, the applicant will need to provide all required information to the City to assure compliance with the City's transient rental unit ordinance.

There is an existing four-bedroom dwelling on the current 6.35-acre parcel. Most of the property is currently in agricultural production. The existing home and property have been approved in the past by City as a transient rental. Approval has been granted by the city as recently as 2019, but appears to have lapsed. The applicant is seeking a blanket approval for all seven proposed lots which will range from 0.6-0.75 acres in size.

As part of the conditional use approval, the applicant, who is also the current property owner, has committed to complying with the requirements as listed in the code which includes that they contract with a City licensed property management company, provide off-street parking, obey occupancy limits, among other requirements as found in Section 7.06 – Transient Lodging Units. A conditional use permit is required to inform the neighbors of the proposed use.

There are several benefits the City receives from transient rental units. One benefit to the City is all owners of transient rental units pay a transient rental tax. This money is a benefit to the City and to residents of the City. Another benefit is the resort tax the City collects. Few cities in Utah qualify to be able to gather this tax because the requirement involves the ratio of nightly rental rooms and units compared to the permanent population of the community. If the percentage of rental units compared to the permanent population is high enough then the City can continue to collect the resort tax which equaled approximately \$750,000 last year. The City is actively trying to comply with State requirements to continue to collect the resort tax and every unit that is rented helps the City to continue to collect the tax.

This item has been noticed in the local newspaper for two weeks and in the State's website for the Planning Commission meeting. Mailed notices will be sent out to all property owners within 600' before the public hearing before the City Council.

#### **ANALYSIS:**

The comments in italicized represent Planning Staff's comments pertaining to compliance or lack of compliance with the findings the City Council must make in considering this request. Section 16.26.120 requires specifically the City Council to find that:

1. The proposed use is conditionally permitted within the Land Use Title, and would not impair the integrity and character of the intended purpose of the subject zoning district and complies with all of the applicable provisions of this Code; *planning staff does not believe that the proposal will have a significant impact on the surrounding neighborhood as long as property owners and property managers educate renters on the requirements associated with the renting of the units. Where only one of the seven lots are currently built on, each property*

*owner will need to demonstrate compliance with the provisions of the code when they apply for their own transient rental business license.*

2. The proposed use is consistent with the General Plan; *no issues have been identified.*
3. The approval of the conditional use or special exception permit for the proposed use is in compliance with the requirements of state, federal and Midway City or other local regulations; *the individual property owners will be required to apply and receive approval of a transient rental license before they will be allowed to rent their unit. This license requires them to register with the State for tax purposes, have their unit inspected by the building inspector, fire marshal, and health inspector, and contract with a City licensed property manager. Each transient rental business license will be reviewed individually to ensure that they comply with the requirements governing transient rentals.*
4. There will be no potential, significant negative effects upon the environmental quality and natural resources that could not be properly mitigated and monitored; *no issues have been identified.*
5. The design, location, size, and operating characteristics of the proposed use are compatible with the existing and future land uses with the general area in which the proposed use is to be located and will not create significant noise, traffic, or other conditions or situations that may be objectionable or detrimental to other permitted uses in the vicinity or adverse to the public interest, health, safety, convenience, or welfare to the City; *the properties are zoned single family, so the proposed use and associated traffic should be consistent with the adjacent uses and neighborhoods.*
6. The subject site is physically suitable for the type and density/intensity of the proposed use; *it appears that the proposal is suitable based on the proposed use.*
7. There are adequate provisions for public access, including internal and surrounding traffic flow, water, sanitation, and public utilities, and services to insure that the proposed use would not be detrimental to public health and safety; *no detrimental impacts have been identified.*

#### **POSSIBLE FINDINGS:**

- The proposed use is a conditional use in the R-1-22 zone and is in the Transient Rental Overlay Zone.
- The proposal does meet the vision for residential development the R-1-22 zone within the TROD in the General Plan.
- Every licensed rental unit helps the City to comply with State requirements that allows the City to collect the resort tax

- Each property will be required to obtain their own individual transient rental business license previous to renting their property on a nightly basis

**ALTERNATIVE ACTIONS:**

1. Recommendation of Approval (conditional). This action can be taken if the Planning Commission finds that conditions placed on the approval can resolve any outstanding issues.
  - a. Accept staff report
  - b. List accepted findings
  - c. Place condition(s)
2. Continuance. This action can be taken if the Planning Commission finds that 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. Recommendation of Denial. This action can be taken if the Planning Commission finds that the request does not meet the intent of the ordinance.
  - a. Accept staff report
  - b. List accepted findings
  - c. Reasons for denial