

SOUTH JORDAN CITY
CITY COUNCIL SPECIAL STUDY MEETING

April 3, 2018

Present: Mayor Dawn Ramsey, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Jason McGuire, Council Member Don Shelton, CM Gary Whatcott, Strategic Services Director Don Tingey, Development Services Director Brad Klavano, City Attorney Ryan Loose, ACM Dustin Lewis, Planning Director Steven Schaefermeyer, IT Director Jon Day, City Council Secretary MaryAnn Dean

4:30 PM

OAK CONFERENCE ROOM

Mayor Ramsey welcomed everyone present. She excused Council Member Zander who is not present, but will be joining electronically for the closed session.

A. Invocation: *By Council Member Brad Marlor*

Council Member Marlor offered the invocation.

B. Staff Item: *Ascend Development LLC and Legacy Fields, Development Proposal at 10400 South 1000 West (By Applicant Sean Dickson & Planning Director Steven Schaefermeyer)*

Planning Director Schaefermeyer reviewed the background information on the item. He said this proposal is applicant driven. The area is zoned commercial, but there is no interest in commercial use because there is not great visibility from 10400 South. The developer has reached out to the neighbors regarding this proposal.

Sean Dickson (Ascent Development) and Jeremy Peterson (Legacy Fields) introduced themselves. They have been working with staff on this proposal. They showed a layout of the concept for this development as well as elevation drawings of the proposed homes (images not provided). The styles range from craftsman to modern and will be 3000-5000 square feet. The proposal is for residential use, detached units that are 4 to 4.5 units per acre. The plan is also to have a PUD. The plan is for maintenance free living. When they met with the neighbors in the area, they desired for the proposed houses to have 3 car garages. He said they hope to do that on as many of the homes as possible.

Council Member Harris said this is directly across from the fire station. Previously, they had a proposal for a lower scale townhome development. He said he has had interactions with Mr. Dickson on this proposal. He said he was at the meeting Mr. Dickson had with the neighborhood. The neighbors are okay with the proposal. With the current housing market, he is supportive of this project. It was noted that the homes will be in the mid \$600,000-\$700,000 range.

It was noted that the current zone on the property is P-O and A-5 on a small piece.

Council Member Marlor said because the property is not right on 10400 South, he feels it will be a long time before that is infilled with office.

Mr. Dickson said they are planning full width street. There is no gate proposed. They would like a gate, but they have been told that the city won't approve it. They are looking to see if the City Council feels they are headed in the right direction before they spend more on this project.

Council Member McGuire asked what is the plan for 10400 South? Development Services Director Klavano said it is a private street right now. They have discussed stubbing a road from the proposed neighborhood into 10400 South. It was noted that Connie Strang, adjoining neighbor, is waiting to see what happens. She may want to get some lots behind her existing home. It was noted that will most likely create flag lots, and it would require a zone change. Mr. Schaefermeyer said Ms. Strang said she would prefer to have the stub street west of her property. There was discussion about staff and Council's desire to have a more cohesive development. The other adjoining neighbor is willing to sell, but asking too much. Mr. Dickson said it is hard for them to imagine a residential development to pencil as well as what they have offered.

It was noted that no adjacent neighbors objected to the proposal at the neighborhood meeting. The developers did not have elevation drawings to show at that meeting. Most of the neighbors wanted 3 car garages. Council Member Harris said the neighbors realize what could happen on this property, and they feel this is the best proposal they've seen. He feels they should allow it to move forward.

Council Member Shelton said the proposal makes sense. He does not see professional office in this location for decades. Council Member Marlor said it is not a good location for professional office. Council Member McGuire said this is the best product for this area. He has a hard time picturing commercial in this area.

The City Council took a dinner break.

C. Discussion Item: 300 West 9800 South Mixed Use Project *(By Planning Director Steven Schaefermeyer)*

Planning Director Schaefermeyer reviewed the background on this proposed project. If the City Council is in favor, they can do a development agreement before or during the process.

Scott McCorey said this parcel has a lot of challenges. It is right on the freeway. He reviewed the team they have working on this proposal.

Jerry Telley said he has a background in urban planning and development planning. He said most developers that would look at this site would think of storage units, but that is not allowed in this location. He reviewed a presentation (Attachment A). He reviewed one proposal for a class B office building and a 110-120 key hotel. He said this is the entrance to the city. He reviewed a

proposal for just the Horne parcel and a proposal for the Horne parcel plus the UDOT parcel. He reviewed a proposal where there are apartments planned, a parking structure, a mid rise hotel and an office building. The location is adjacent to transit and this proposal would provide a better tax base. It is a good job/housing balance. It is not next to a residential neighborhood. A lot of the traffic impact will be on Sandy. They feel that the proposed residential component supports the transit in the area.

Council Member Harris said the apartment component is what is tough with the proposal. How would they revise the plan if apartments are not allowed? Mr. Telley said they would go back to the base plan with approximately 30,000 sq. ft. of office space, surface parking and a 110-120 key hotel. They would likely not go after the UDOT parcel in that case.

Council Member McGuire asked about the proposal to put in a bridge or tunnel to connect the residential to the existing frontrunner platform. Mr. Telley said that is an offsite expense. They could look at a tif (tax increment finance) district. They would like a city partnership in that project. They could also see if UTA would partner on that project. Their proposed project would generate tif for some funds. In talking to UTA, they would not be able to go across the train tracks. It is doable to do something over or under the tracks.

Mayor Ramsey said this is the type of project that the city would have to do to get any state funding. City Attorney Loose said there will still be arguments that the residential is not affordable, but they can't do anything about the land costs. Mr. Telley concurred that land use patterns are looked at for grants. Mayor Ramsey said these are the developments they have to do if they have any hope of funding. City Attorney Loose said it would be okay if it was all office, but the state wants a more intense use next to front runner.

Mayor Ramsey expressed concern about the balcony of the apartments facing I-15. She worried about the aesthetics if people hung stuff over the balconies.

They looked at an aerial photo of the area and identified the location of the front runner station. They again discussed a pedestrian bridge or tunnel to the front runner station. Mr. Telley said the underground option is preferred by UTA and the developers.

It was noted that the proposal, including the UDOT property, is a little over 6 acres with a proposed 250 total units. It is a density of about 40 units per acre. The parking structure would likely be 2-3 levels. It would serve the residential, office, and the hotel.

Council Member McGuire asked if there is the option of 2 offices rather than the residential component? Mr. McCOREY said the difficulty with that is that offices have significantly more parking requirements. There are way less parking stalls with the residential component.

Council Member Shelton said if they are going to do apartments anywhere, this is a prime location for it with its close vicinity to transit.

Council Member Marlor said if the storm water issues can be handled properly, it would help them comply with the transit density issues.

Council Member McGuire said he feels mixed about the proposal. He would rather see more commercial. He is also concerned about the access to the front runner platform, and wants to ensure that the access is truly provided.

Council Member Harris said he feels they can get this proposal to pencil without the apartment component. He would like to see it all commercial, office, and hotel. He is opposed to the current proposal.

Council Member Marlor said he would like to get Council Member Zander's opinion before moving forward.

Council Member Marlor asked if they would consider a straight commercial project? Mr. McCorey said they could do something smaller. The taller the office, the more parking is required and it is expensive. They will look at that alternative. Mr. Telley said they are looking for balance of residential and office. This is a tough site for retail.

Council Member Shelton said he would also like to hear from Council Member Zander. He is also interested in knowing more detail on the tax increment financing to put in the tunnel. Mr. McCorey said the proposed project, as shown, is a \$60 million project. The increase in property tax would be \$600,000 a year. Council Member Shelton said he wants to know what they would have to give up for the tunnel proposal. Council Member Marlor said they also need to find out if UTA will fund part of it.

City Commerce Director Preece said this area is not an RDA area, so that would have to be created. He said without an affordable housing component, it will be a fight with Salt Lake County.

Council Member McGuire made a motion to move into a closed executive meeting. Council Member Marlor seconded the motion. The vote was unanimous in favor.

D. Closed Executive Meeting – 5:15 p.m. to 6:15 p.m.

Council Member McGuire made a motion to come out of the closed meeting. Council Member Shelton seconded the motion. The vote was unanimous in favor.

ADJOURNMENT

Council Member McGuire made a motion to adjourn the study meeting. Council Member Shelton seconded the motion. The vote was unanimous in favor.

The April 3, 2018 City Council study meeting adjourned at 6:28 p.m.

**This is a true and correct copy of the April 3, 2018 City Council Study Meeting Minutes,
which were approved on April 17, 2018.**

Anna M. West
South Jordan City Recorder

Team

Horne Management/Scelissa - Has developed and/or owned twelve hotels, over a million square feet of office, and over 300 apartment units.

Russell Platt Architecture - Is currently working on the Sandy City Center project.

Sunrise Engineering - Civil Engineer

Reaveley Engineering Associates - Structural Engineer

Tully Design - Site Planner

RVC – Contractors

Western States Multifamily – Apartment Consultants

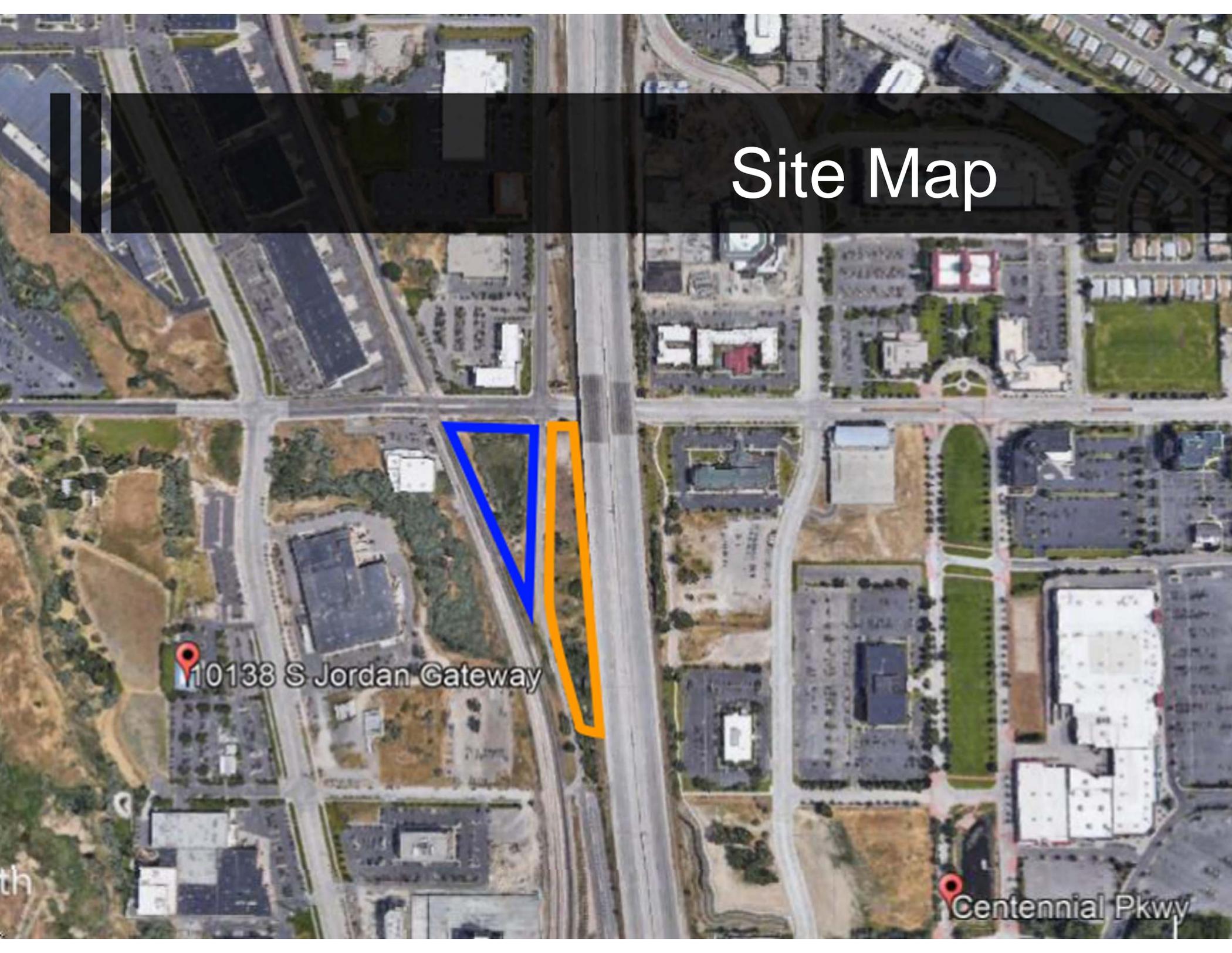


Site Map

10138 S Jordan Gateway

Centennial Pkwy

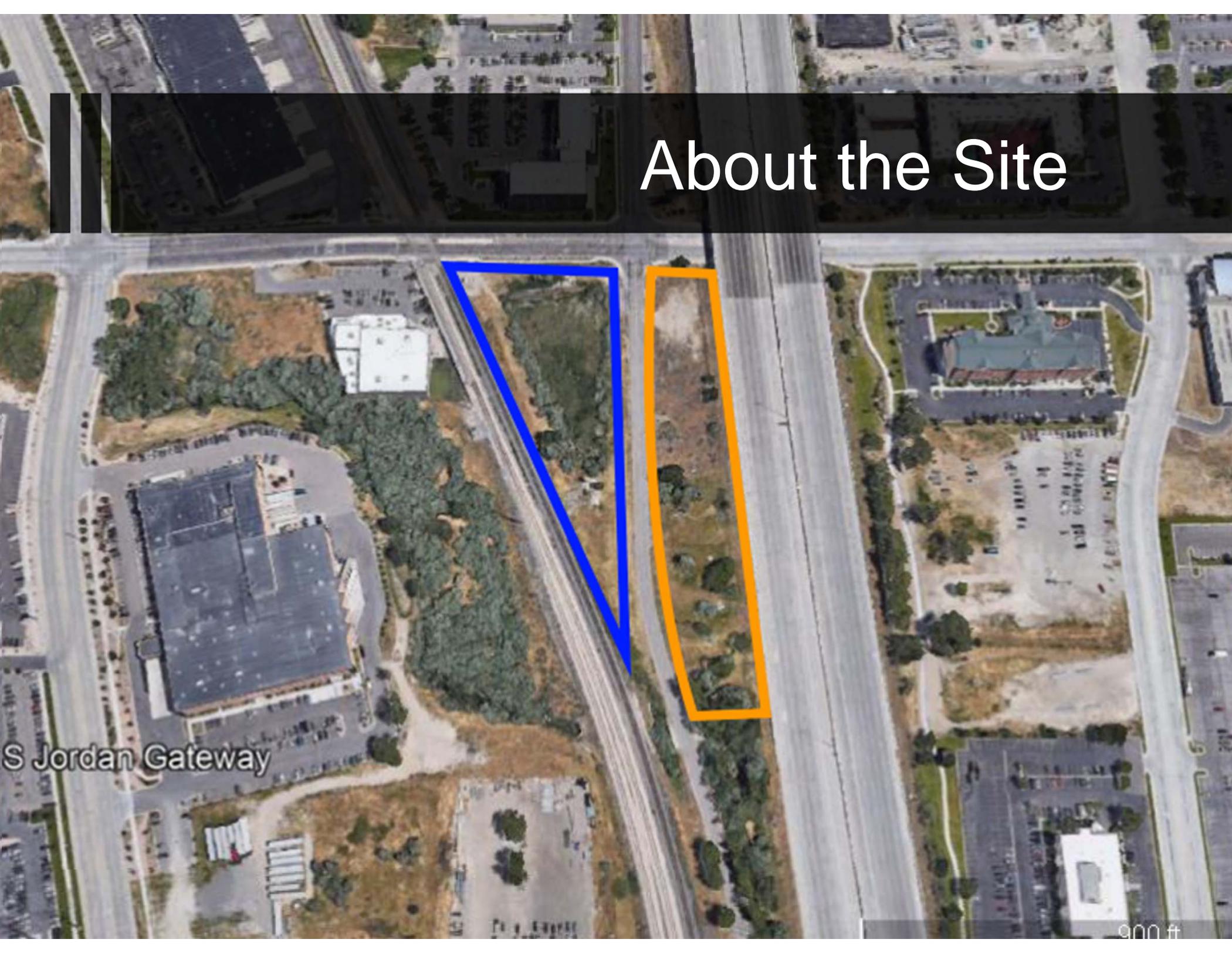
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About the Site

S Jordan Gateway

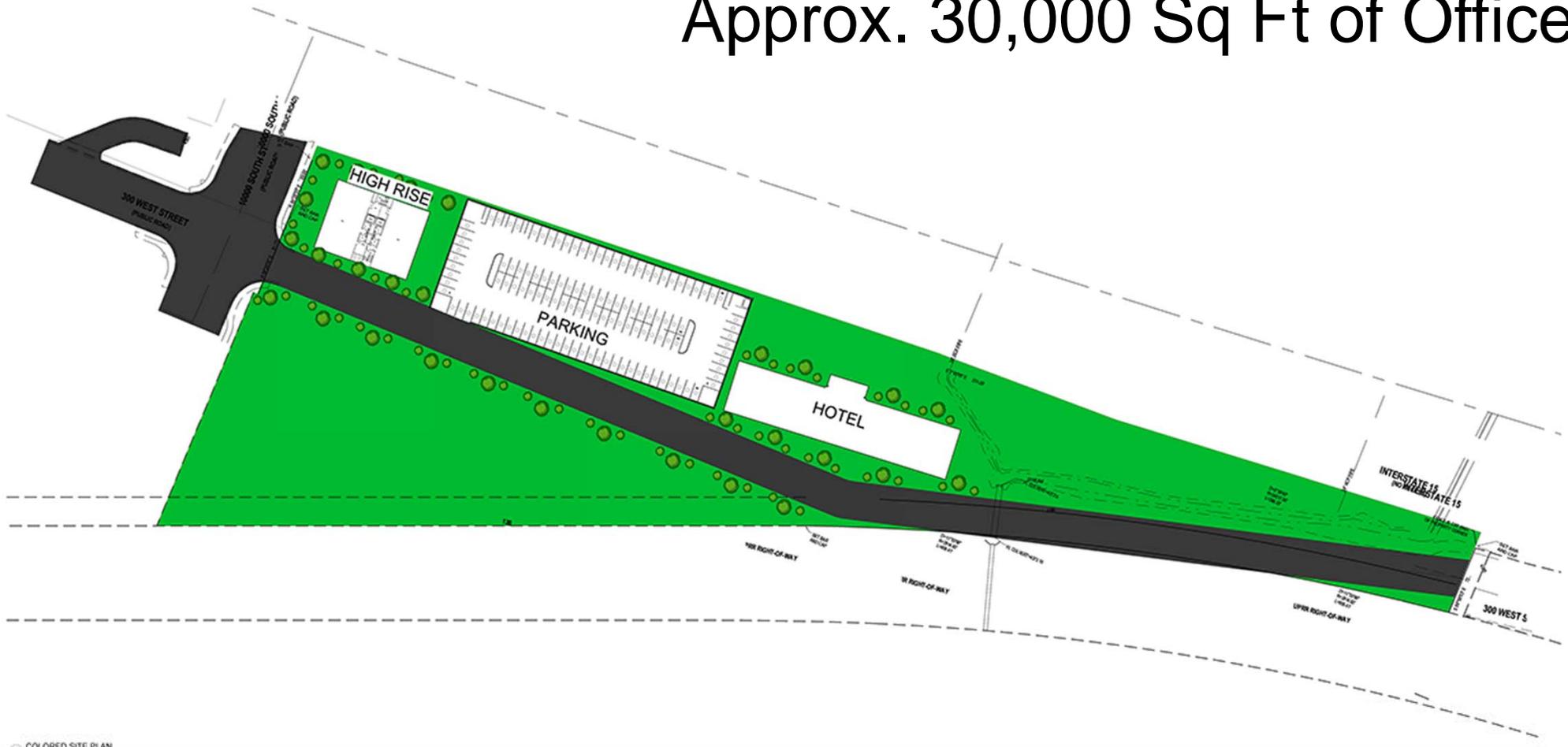
900 ft



Base Plan

110-120 Hotel Rooms

Approx. 30,000 Sq Ft of Office



Proposed Project

Horne Parcel

- 110 – 120 Hotel Rooms
- 20,000 – 30,000 Sq Ft of Office
- 0 Apartment Units
- 140 +/- Parking Stalls

+ UDOT Parcel

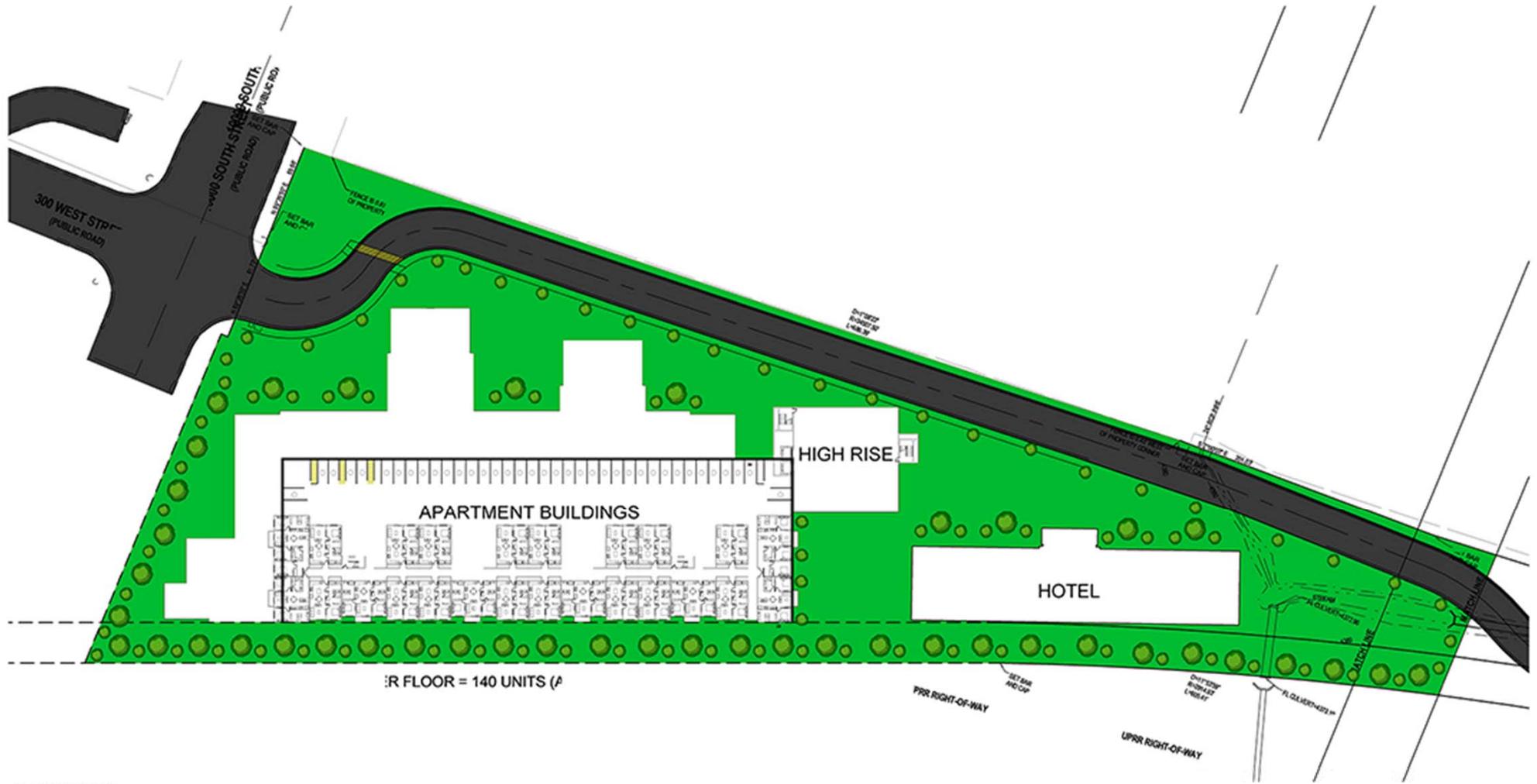
- 110 – 120 Hotel Rooms
- 30,000 – 80,000+ Sq Ft of Office
- 200 – 300 Apartment Units
- 600 +/- Parking Stalls

**Final numbers dependent upon zoning*

Horne Parcel with Apartments Rendering



Horne and UDOT Parcels with Apartments Site Plan



Horne and UDOT Parcel with Apartments Rendering



Data from Western States Multifamily

1) Is there a demand for apartments in this area?

- Yes, the surrounding projects have all been successful.
- It is projected that the demand for new rental properties in Salt Lake County will exceed 9,300 units over the next 36 months.

2) Benefits of apartments in the TOD

- 62% of newly constructed apartments in Utah are in TODs.
- Apartments help drive the development of other uses such as office and residential in TODs.

3) Tenant Demographic

- Individuals and families without school age children.

4) Project Amenities

- Pool, clubhouse, exercise facilities, picnic & BBQ areas, walking/jogging paths which connect into city and county trail systems

Conceptual Product Mix

Unit Information							
Type of Unit	1bed 1bath	1bed 1b Lux	1bed 1b+den	2bed 2 b	2 equalbed 2b	2bed 2b Lux	Totals
Unit Square Footage	525	675	775	850	900	1,000	
Number of Units by Type	45	55	45	35	35	35	250
Total SF by Type	23,625	37,125	34,875	29,750	31,500	35,000	191,875
Core and Common Area							
20.00%	4,725	7,425	6,975	5,950	6,300	7,000	38,375
Total SF by Type w/Load	28,350	44,550	41,850	35,700	37,800	42,000	230,250
Percentage of Units by Type	18.00%	22.00%	18.00%	14.00%	14.00%	14.00%	100.00%
Rental Rate per Sq. Ft.	\$1.75	\$1.60	\$1.60	\$1.55	\$1.50	\$1.40	
Rental Rate by Unit Type	\$ 919	\$ 1,080	\$ 1,240	\$ 1,318	\$ 1,350	\$ 1,400	7,306
Total Rents by Unit Type	\$ 41,344	\$ 59,400	\$ 55,800	\$ 46,113	\$ 47,250	\$ 49,000	\$ 298,906
Other Income per Unit							
\$ 57	\$ 2,565	\$ 3,135	\$ 2,565	\$ 1,995	\$ 1,995	\$ 1,995	\$ 14,250
Total Rent + Other Inc by Type	\$ 43,909	\$ 62,535	\$ 58,365	\$ 48,108	\$ 49,245	\$ 50,995	\$ 313,156

Floor Plans



Benefits from Apartments in this Location

- TOD/Live-Work-Play planning areas function best when there is a critical mass of residential housing
- Provides convenient quality housing for employees of the expanding adjacent office buildings in South Jordan
- Financial benefits of shared parking
- Helps to justify the cost of moving the road
- Redesigns the unattractive UDOT retention basin into a linear park along the train tracks
- Allows a premium project to be built on the northern gateway to South Jordan along the I-15 corridor
- Fits in well with the future Trax expansion
- The project would encourage future retail/commercial/convenience store development in the TOD

Other Potential Benefits

- A possible improved drainage resolution for the UDOT retention basin
- Possible pedestrian connection from 300 west to the FrontRunner Station
- Possible private/public partnership, funded by a portion of the incremental increase of property tax (estimated to be an additional \$300,000+ per year over the Base Plan property tax), to help fund improvements to public amenities that enhance the TOD-Work, Live, Play experience (ie, the pedestrian connection, shuttle service to Trax/Frontrunner, trail systems, road improvements, etc.)

Construction Timelines

	Const. Starts	Construction
Hotel	2-6 months	11 months
Office	6-9 months*	9 months
Apartments	6-12 months	16 months

**Contingent upon leasing*