

WORK SESSION – JUNE 16, 2022, 6:00 p.m.

Minutes of the Huntsville Town Council work session held at the Ogden Valley Library at 131 South 7400 East, Huntsville, Utah at 5:30 p.m. The work session was held to discuss the proposed development of the Huntsville Corner Lots

Attending: Mayor Pro-Temp Kevin Anderson, TCM Bruce Ahlstrom, PCM Steve Songer, TCM Artie Powell, TCM Sandy Hunter, PCM Liz Poulter, PCM Allen Endicott, Beckki Endicott – Clerk, Shannon Smith – Clerk, Hunter Murray, Russell Dilworth, McKay Lewis, Sherry Crandall

Mayor Pro Temp Kevin Anderson welcomed all those in attendance. PCM Allen Endicott led the pledge of allegiance. TCM Kevin Anderson turned the time over to Sherry Crandall, realtor, to give a report on the status of the sale of the property. Sherry Crandall stated the lots are under contract with Hunter Murray and his group. They are in the due diligence phase which is allowing to explore feasibility. After gathering information regarding the feasibility of the lots, Hunter Murray is here to present a plan to the Town Council and the Planning Commission.

Hunter Murray introduced his team and presented the current renderings of the corner lot plan. The plan has three units, for retail facing 7400 East, across from the library. He explained that one of the main obstacles of the lot is room for septic. The development company has had to reconfigure the structure of the lot. They are looking to put parking on the east side of the lot. There will not be parking in the center of the lot due to the location of the septic.

The main building on the north part of the lot was described as a mixed-use building with 13 units. The building would have 9 short term rentals and then 4 units for sale. Hunter Murray stated that part of their company mission was to provide housing in their projects. The short-term rentals and for sale products are an average of 1,000 square feet per unit. There is onsite parking for the rental units, but the retail units would use the on-street parking. This use would trigger the need for an overlay zone.

The Town Council asked Hunter Murray several questions about parking and septic location and type.

Hunter Murray estimated the condos would sell for \$505,000 to \$515,000. He also addressed short term rentals. PCM Endicott asked about how long the short-term rentals would need to be rented to make the project viable. Mr. Murray responded they are looking at holding on to the project for a long time. There is not an exit strategy currently.

TCM Anderson commented for Mayor Sorensen, who is not in attendance at the meeting tonight, that Mayor Sorensen is concerned about the model that is being presented. Mayor Sorensen has expressed concern that to overcome the overlay zone with short term rentals will be challenging. TCM Kevin Anderson described a similar situation that

occurred some years ago. A model was presented to the town and the residents responded by collecting signatures and threatening a referendum. Ultimately the developers abandoned the design and selected another project.

TCM Hunter commented that residents in Huntsville are sensitive to short-term rentals. In addition, the main building is very large and doesn't look very desirable. Mr. Murray stated he understood the concern regarding AirBNB in a residential zone, but this is a commercial zone and is the last of the commercial zoning in Huntsville Town. He is hopeful the residents will understand the difference between the commercial and residential zone. TCM Hunter explained the process of an overlay zone. She believes that the public hearing process will hurt the model that Mr. Murray is presenting. The residents of Huntsville Town have expressed a desire for commercial in this zone.

TCM Hunter asked about the financial component of the project and whether the project would be viable without short term rental. Mr. Murray responded that this is a 7.8-million-dollar project. The three commercial units would bring in around \$1300 a month and take \$800,000 to construct. The short-term rentals would ensure the viability of the commercial component. The project will not work without short-term rentals. This is not unique to their vision; it would be the same for any project.

TCM Anderson asked Mr. Murray if the developers have looked at just building commercial office space without a residential component. Mr. Murray stated that the Valley probably would not support 13,000 square feet of office space. He stated the demand is not there, it is extremely limited. The office space also doesn't work on the front end of the finances. TCM Anderson asked Sherry Crandall about the viability of office space in the Valley and if this project could be financially viable without short term rental. She stated they have just finished renting the last office space in the Mountain Luxury building. It is a desirable building with a café, outdoor space, and views. They have people that want to get into that building. The office space in Eden at Carlos and Harleys is a little more difficult to rent at a price point of \$550.

There was a discussion about the overlay zone and the process to obtain the zoning for short-term rental. Mr. Murray understands that short-term rentals might be an uphill battle.

To summarize the developers are proposing 17,000 square feet of buildings on the two commercial lots. Three thousand square feet would comprise the retail component and 14,000 the residential and short-term units. Of the residential units, 9,000 square feet would be available for short-term rentals and 4,000 square feet would be available as for sale units with an HOA. The buildings on the lots would take 31% of the square footage on the lot verses 5% for asphalt and the balance of 65% would be landscaped.

TCM Sandy Hunter motioned to adjourn the meeting. TCM Bruce Ahlstrom seconded the motion. All votes Aye. Motion passed.

Meeting adjourned at 8:19 p.m.



Beckki Endicott, Huntsville Town Clerk