

AMERICAN FORK CITY COUNCIL
SEPTEMBER 21, 2021
WORK SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Kevin Barnes	Council Member
Staci Carroll	Council Member
Ryan Hunter	Council Member
Rob Shelton	Council Member
Clark Taylor	Council Member

Staff Present:

David Bunker	City Administrator
Terilyn Lurker	City Recorder
Aaron Brems	Fire Chief
George Schade	IT Director
Cherylyn Egner	Legal Counsel
Darren Falslev	Police Chief
Scott Sensanbaugher	Public Works Director

Also present: John Woffinden, Ryan Hales, Josh Gibbons, Mike Hathorne, Makay Quinn, and two additional people.

WORK SESSION

The purpose of City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

The American Fork City Council met in a work session on Tuesday, September 21, 2021, in the City Administration Office Conference Room, located at 51 East Main Street, commencing at 4:00 p.m.

1. Presentation on the Communities that Care program.

This item was pulled from the agenda.

2. Presentation of the Downtown Traffic Flow Study

Scott Sensanbaugher, Public Works Director, said the traffic study was initiated two months ago as part of the discussion of developing downtown and bringing residential projects to the area. In response to questions about the impact of that sort of development on traffic in the downtown area, staff asked Hales Engineering to look at current conditions and create traffic models based on the plan that was approved by the Council. He introduced Ryan Hales and Josh Gibbons of Hales Engineering.

Ryan Hales, Hales Engineering Representative, said that they had looked specifically at the impact of increased density in the CC-1 zone. The first thing they looked at were existing traffic volumes based on the transportation element of the General Plan. They also used the ITE Trip Generation Manual. They can use this book to look at how a high-density project or a commercial project typically affects traffic volumes based on square footage. After overlaying predicted traffic volumes with existing traffic volumes, they look at the level of service (LOS). LOSs ranges from A to F. Anything from A-D is acceptable with E and F being unacceptable with the need for mitigation efforts like fixing roadways. This study looked at traffic patterns at the roadway, as opposed to intersection level, and addressed roadway conditions: what was the necessary lane count to accommodate estimated traffic flow. He said that they typically look at three, five and seven lane roads because the left turn lane in the middle helps get turning vehicles out of the way of through traffic helping with overall traffic flow.

Council Member Carroll asked if the level of service measure was only taken at peak hours.

Mr. Hales said that when they look at an intersection level, they do account for peak hours. When looking at the roadway approach they were considering the daily capacity. In this case they did the latter and looked at daily capacity levels.

Josh Gibbons, Hales Engineering Representative, added that the daily capacity was a measure of the peak hour flow and in part simulated what the peak hour traffic would look like.

Mr. Hales said when they looked at the core area, they went back to the 2020 Downtown Study. He went over the average daily traffic (ADT) levels. He noted that ADT levels varied based on day. They looked at the ADT levels on a standard weekday. On Sundays the levels were so much lower it didn't matter. The map Mr. Hales displayed was color coded based on lane count and level of service. Any areas that were orange or red had below a D level of service and needed traffic mitigation. He noted that UDOT had plans to widen 100 East to become five lanes by 2030. This would alleviate two of the intersections that were currently failing.

Council Member Shelton asked if the area on 100 East between State Street and Pacific Drive was already five lanes. Mr. Hales said that section had varying lanes because the City was widening certain areas to have more right and left turn lanes.

Mr. Sensanbaugher said UDOT's project did include improvements between Main Street and 100 North. This was the only place where there were five lines. The project would also include other improvements at intersections like widening and additional turn lanes.

Council Member Shelton's biggest concern was 100 East and Pacific Drive because there wasn't a lot of space there with the railroad tracks and buildings that extend right up to the sidewalk. Mr. Hales talked about how UDOT could work to get more right-of-way access to be able to widen the road.

Mr. Sensanbaugher added that the previous week his team had an initial meeting with the railroad, UDOT, and UTA on the removal of the tracks at that intersection. He said he wanted to manage expectations, but the initial meeting was very positive. There was a high likelihood that the City would be able to remove those tracks through that whole section.

Council Member Shelton said they tried to get a wider cross section on 400 West with a previous mayor and could not get it. He was skeptical because of their past experience. He appreciated that moving the tracks was the best-case scenario from a traffic engineering standpoint, but he was hesitant to adopt a plan that relied on that when it had been difficult in the past to get tracks removed.

Mr. Hales acknowledged the different facets that the Council had to consider and balance. He said that he had another meeting with UTA near the Amazon facilities that had been positive. Mayor Frost clarified that the plan presented did not consider the tracks being removed. Mr. Hales said no. At this point they were looking at roadways and volumes. With today's volumes and this stuff overlaid on top, these roadways will need to be adjusted. They would not come overnight, but it was positive to predict and be ahead of impacts. There were certain areas where there was a great level of service. What traffic flows really came down to was the state highway system. Cities tend to focus their traffic on state highways. This often makes this a UDOT and UTA discussion that the City needed to be involved with to guide.

Council Member Carroll asked how this map of existing plus new compared to just existing traffic volumes. Council Member Taylor asked how the project densities were determined. David Bunker, City Administrator, said that there was a 2020 study with Advisors Consulting that outlined densities based on a tentative plan on developing downtown that staff provided.

Mr. Hales showed the existing conditions and said that at current levels capacity was okay on Main Street, but the additional travel would put them over the limit. For a five-lane road the threshold was 32,800 and the City was currently at 28,000. With the increase in density the traffic level would jump up to 34,900, just over that 32,800 threshold. UDOT might look at that and suggest just re-timing the lights to push the traffic on through. This is why they would need to provide balance as a municipality; they would want to make sure the traffic was not going too fast. Some congestion in the downtown main street was good. It allowed people to see what was outside of their vehicle and what they were passing.

Mr. Gibbons said there was a plan to widen US-907 to seven lanes just east of American Fork. There were already seven lanes up to 300 West.

Mr. Hales noted that as the area developed more towards mixed use some vehicle trips would be reduced as people were more able to walk to services.

Council Member Shelton asked how their projects compared to the master plan at full build out. He felt that it was worth considering how building out surrounding land would increase traffic outside of the CC-1. He wanted to see how the master plan could predict a full traffic study to be able to better understand connectors and pain points. Mr. Hales said that another municipality was developing a full build out plan to be able to see that. He said the Mountainland Association of Governments (MAG) had a model that they used to predict out until 2050. This other municipality asked what their ultimate buildout would be in 2050.

Council Member Shelton asked about the removal of a lane and some houses on Pioneer Crossing. Mr. Hales said there were discussions not only about Pioneer Crossing, but about putting in a lower or parallel road.

Council Member Taylor asked in reality how much say American Fork would have on the road improvements on State Street and 300 East. Council Member Carroll felt if American Fork expressed to UDOT that they wanted the road to remain five lanes and there were businesses on each side of it, she felt the City had a valid argument for push back.

Mr. Hales agreed and cited Springville as an example of a municipality that had been successful in pushing back against UDOT to keep a road five lanes instead of seven. They left wide shoulders for parking and put landscaping in down the center. They also added a bunch of left turn lanes to reduce conflicts. Through this planning they were able to maintain capacity without having to go to seven lanes.

Council Member Shelton summarized that he heard if American Fork had a plan, then UDOT would consider the plan because they did not want to disrupt City planning. If the City didn't have a plan that gave UDOT more power.

Mayor Frost reminded the Council when UDOT wanted to add lanes to 100 East by taking away the parking, city residents were not in favor and UDOT altered their plans. He then asked in Mr. Hale's experience, at what point does a City plan for rush hour. He traveled Pacific Drive multiple times a day. He experiences a rush hour from 5:30-6:30 p.m. His question was at what point do you make a road bigger to accommodate a single hour in the day.

Mr. Hales acknowledged that was a question many communities struggled with. He talked about how people alter their driving times to try and avoid when roads are jammed up. When he worked in Salt Lake at 5400 South, he would get to work by 7:00 a.m. and would leave at 6:00 p.m. The company got extra hours out of him, but he could travel and get home at the exact same time if he left at times when the road was less congested. Those were the times that peak hour spread started to occur. Because of this behavior change you don't always have to widen roads just because the capacity says you do. He also noted that speeds don't have to be as fast as people want them. The slower the speeds the safer the pedestrians. Traffic flowing well did not necessarily mean the economy flowed well. In Ketchum, Idaho they imposed a road diet, shrinking the roads from four to three, to give space for right and left turn lanes. They also coordinated lights to slow traffic down.

Council Member Shelton asked if the vehicle trips per day smoothed out the peak volume to show that over the course of a whole day the roadway could handle average traffic volumes. Mr. Hales said they were talking about demand and capacity. It was when demand and capacity did not match that a roadway change was required.

Mr. Bunker emphasized that what Mr. Hales was talking about when roads reached level of service F. Mr. Hales said that even if the diagram looked bad to the Council, when he looked at it was pretty good. Even though there were some east and west challenges, the City had a partner to address those with UDOT. The City could do what was suggested by the Mayor and ask that they spend money in a focused area and guide the process.

Council Member Shelton appreciated that the traffic study was based on densities. Even though they didn't know what would happen, they could estimate based on allowed densities. He asked if the fact that density was tied to parking was taken into account in Hales Engineering's estimates. In thinking about the worst-case scenario, he wanted to consider the highest density that someone could park and then use that density to model the traffic impacts. He knew how to estimate worst case scenarios in the TOD when the maximum density was five stories, but he did not know how to do that when density was contingent on a developer being able to meet the parking standard.

Mr. Hales said that they utilized reverse engineering. He explained that a City's parking codes functioned as a supply rate. Perhaps that was 5:1,000. The demand side came from ITE who might know that instead of 5:1,000 they only needed 2.5:1,000. He said that Walmart was a great example of coming with that parking ratio. However, when they counted one on a Black Friday in South Jordan, their demand was only 2.6.

Mayor Frost shared two observations. When he came into town around 3:40 p.m. He said it took two cycles of lights to get onto Pacific Drive. However, there were big gaps in traffic going north and south. This morning at 7:30 a.m. when he came out of Alpine cars were queued up at Canal Boulevard. He felt they already shifted the traffic patterns in American Fork with the completion of Canal Boulevard. He wanted to ask UDOT to take a look at this.

Mr. Hales said that was a great change to bring up to UDOT. There was discussion about proposed changes to the timing of the lights on Canal Boulevard. Mayor Frost said the left turn onto Canal Boulevard had 10-12 cars queued. He interpreted that as 10-12 cars that did not go straight through American Fork. There was discussion about the pros and cons of sending traffic elsewhere and straight onto the freeway and making sure that some traffic came through the City to provide economic growth.

3. Continued discussion on the TOD ground floor commercial requirement.

Mr. Bunker explained that in American Fork's TOD zone, which was adopted in 2018, there were five districts: business, transit core, west neighborhood, east neighborhood, and garden district. Each district has a specific outline to create the TOD atmosphere. Staff wanted to talk about ground floor requirements in the transit core. He read American Fork's code which outlined what they were looking for in the transit core:

A high intensity regional, mixed use settlement pattern in both sites and intensity situated adjacent to regional transportation crossroads including existing and future transit and will support significant residential, office, entrainment, hospitality, and retail uses as well as government and other civic institutions of local importance; a walkable village-like setting comprised of mix use development will focus on the station area. It is the place where business, residential, and main street environments intersect.

Although the zones would have different characteristics, they specifically wanted ground-floor commercial in the transit core. However, the very first project that came through the development process was directly across the street from the station. That project, Castlewood, did not provide one square foot of commercial space. If there was a project that could have made commercial, it would have been that one or something on 200 South within a certain distance and the parcel

directly west of the UTA. In 2020, after this happened, the City Council considered a code change to require every development on 200 South have their entire ground floor be commercial and a 25% commercial requirement on the ground floor on other roads in the transit core.

Council Member Barnes asked if there were areas in the TOD that excluded ground floor commercial. Mr. Bunker said that some areas allowed low intensity mixed use but were primarily focused on residential. The business district was the only area that prohibited residential use because its focus was office space and supported retail. Because the TOD was a more intense development, additional infrastructure such as roads, water and sewer lines, and walkability were needed for the area to be successful. The cost to add these amenities to 200 South would be ~\$25 million. To ensure that all of these efforts are successful, the City considered a Community Redevelopment Agency (CRA) for the area. The CRA would use tax increment dollars to help fund certain improvements such as utilities and plaza areas. For the CRA to be successful they would need to establish a tax level for the first year that would grow overtime. This was laid out by a model provided by Lewis Young. The model included the presence of mixed use in the transit core. It was an integral part of the CRA. Deviation from this use would change the City's ability to consider tools such as a CRA or HTRZ or any sort of tax increment tool that the development would demand and require. He said the City had received requests to consolidate the commercial use spaces. Instead of 25% of the ground floor being commercial they proposed to do an entire commercial building. When that code was reviewed by the Planning Commission and City Council it was passed to make that change since 2020. There were other cities who had similar mixed-use development. Millcreek required 30% of gross floor area to be commercial. Ogden required that 25% of the land area put into buildings be commercial. Pleasant Grove required that 325 square feet of a building be commercial per residential unit which comes out to ~30%. He then cited some mix use examples in American Fork such as Easton Park. In this example, the City did not require those spaces to be commercial. The developer did this on their own. Every single one of those commercial spaces were occupied.

Mr. Bunker continued that the TOD was ~500 acres and was estimated to have between 15,000 and 20,000 people. There would be demand for retail and commercial in the area. He felt the Council's vision for the TOD was still valid. With the additional rooftop development there was still a need for commercial use in the transit core. In fact, they did not want residents to have to cross I-15 on 300 West just to get to a drink place or for groceries.

Mr. Bunker said the question before the Council was if they still held the same vision for the TOD. If so, they needed to hold steady on the need for mixed use developments which he recognized were not the sort of projects that all developers wanted to take on. He said that he wished that Adam Olsen, former Planner, was still at American Fork. However, Mr. Olsen had communicated with him via email and expressed that he felt strongly that it was imperative that the Council hold firm on requirements to deliver mixed use. The Planning Commission did a great job of saying no and the Council should as well.

Mr. Bunker had a conversation with Lewis Young Roberston and Burningham, who helped create the model for the TOD about giving developers leeway in providing commercial spaces. Their advice was to consider having developers pay a commercial enhancement fee. The City could take the dollars that would have been generated off the tax increment to put back into other areas in the transit core to help offset costs for amenities like parking garages, or additional commercial

enhancement. Jason Burningham was going to run some numbers to find out what that would look like to have a tool like an HTRZ. Lewis Young also wanted to make sure that the 25% commercial requirement south of 200 South was accurate because when Mr. Bunker looked at the commercial space that would be generated per acre, the 25% was not reflective of what the City was going to see. The last thing they wanted to do as a City was to tell developers to build as much density as they wanted in the area, but then to have no way to service those residents.

Council Member Shelton said he understood the CRA argument. However, it had been discussed for so long. He didn't want to make a decision about development based on a CRA that they did not know would happen. They would be in a bad position financially if they did not have the CRA or other funding mechanism in that area. If they were talking about financing the improvements in the area—a whole different discussion he felt they needed to have before December because they intended to build a road in the spring of 2022—he didn't feel as though they could count on the CRA. It felt like a hope and a dream, not something that was actually going to come to fruition.

Mr. Bunker responded the CRA was important for the financing portion of the improvements, but it also would solidify what the TOD would be. He said that if they took out the commercial part of the plan, the possibility of the CRA would go away. The School District said they would do the tax increment on the commercial development. It was the residential development they did not want to impose a tax increment on. An HTRZ was the opposite of that. The HTRZ wanted a specific residential density and did not care about commercial development.

Council Member Shelton said it was hard for him to make a decision on the uses in the area when they did not know how they were going to support expanding amenities financially.

Mr. Bunker said without looking at the financial questions, the City code outlined what the City looked for in regards to the type of development.

Council Member Taylor did not remember a conversation around eliminating the commercial elements in the transit core zone.

Mr. Bunker said staff had a discussion with a developer in the area that commercial development would not be successful if it was required. They requested the City not require the commercial component.

Council Member Shelton referenced a conversation about if commercial development needed to occur on alleyways in the transit corridor or on the main streets. It was this that he thought they were going to discuss.

Makay Quinn, representative of Crescent Communities, said he was a developer who presented the text amendment. Crescent Communities went to the Planning Commission in July and the City Council in August. He explained their text amendment had five points that did not eliminate the retail component of development in the transit core, but altered it. The main point they as developers felt would make this area more successful was to concentrate the retail requirement on the major collector roads and the business core collector. He said at present, every single road in the red zone required 25% ground floor retail. The proposed text amendment suggested they keep the 25% retail on the two blue streets that run north-south through the business corridor, but not

require the retail percentage on the interior roads. He said they were not trying to eliminate retail in the zone, just in certain areas.

Several staff and members of the Council said that would be eliminating retail in the area. Mr. Quinn said it was reducing it to core collector roads. Mr. Bunker said again that meant eliminating retail on interior roads. Council Member Taylor said he wanted to understand but that the proposal would mean they were eliminating retail in the area.

Mr. Quinn said they would be reducing it; he wanted it to be clear that they did not want to eliminate mixed use. In fact, they had done 63 mixed use communities in the last 10 years. They came to American Fork because they believed in the TOD and the mixed-use component. He shared that Crescent Communities values were to be curious, to innovate, to always do the right thing, and to deliver excellence. He said there were 19 developers who looked at the property previously.

Mayor Frost expressed frustration about that number being brought up. He asked if someone could please send him documentation of the names attached of developers who had looked at the property.

Mr. Quinn stated they are willing to work with the City to come to a wholesome outcome. They were not just trying to eliminate a requirement. They had done experiential research in every community they have developed and brought coffee shops, bars, social houses, concert venues, etc. Mr. Quinn noted that in Day Break they were building 400 units and included a coffee shop, social house and bar within the community.

Mr. Bunker asked how many square feet their retail was in the 400-unit development. Mr. Quinn said the retail component was an entire clubhouse that was open to the public and was 11,000 square feet. In Nashville, they had a 435-unit development with an indoor/outdoor retail concept. While there was not a social house, they built a community lawn where they host events such as concerts on the weekends and volleyball tournaments that occur four nights a week with three weeks a night. They have over 100 people come out to those events every week. Those were the types of experiential retail they add to create a mixed-use community. He highlighted that within the entire master plan of Day Break there were 6,000 total homes now with the plan for there to be 13,000 homes. He said there was only one core street that had concentrated retail. This aligned with their proposed text amendment to reduce the retail to just the core collectors and the business core loop to 25% on those streets because they would have more car traffic and visibility. They believed that would help make the retail more successful. His last point was in regards to the tax increment. He said that online sales now count towards a City's sales tax. This meant that as residential units came into the area, that would add to the City's modeling for the tax increment. He said again their request was not to eliminate, but to reduce the requirement.

Council Member Barnes said that to eliminate means they would be removing it. In his mind, they were trying to remove retail from the inside. This was totally eliminating retail in those areas. He asked if they anticipated increasing retail along the outside any more than the 25%? If so, how much did they intend to increase the percentage?

Mr. Quinn said if the text amendment was approved, they would only do the 25%. Council Member Hunter interjected that Mr. Quinn had shared some examples he felt were successful. He asked what percentage of those areas were retail and why they would not want to increase retail on the main collectors.

Mr. Quinn said it was a matter of what the market would drive. They could not put 10 coffee shops in one location, but they can do one coffee shop and one social house. He could not answer the question exactly because the other municipalities they worked in did not look at the requirement in the same way American Fork had framed it. He said again that in Day Break they had 11,000 square feet for 400 units. For the development they proposed in American Fork they planned to have 370 units with 10,000 square feet of retail.

Council Member Hunter asked what the current code required in total square footage for a development of that size. Mr. Quinn said about 20,000 square feet.

Council Member Hunter said they would only be providing half of the retail space that was currently required by the City. Mr. Quinn said that it was site specific because it depended on how the development touched the major collector roads. He said they were flanked on all four sides on roads. Council Member Hunter said he would entertain the idea that a developer wanted to take the 25% required on interior roads and move it to exterior roads. Mr. Quinn said that was already permitted in American Fork's code. It was called clustering.

Council Member Hunter said if they were not going to include half of the commercial component, he did not support it. Council Member Shelton said he wished they had a map that blew up the interior roads. He wanted to know the width of the roads.

Mr. Sensenbaur said in the local TOD roads there must be 32' of asphalt and the roads must accommodate pedestrians. The 32' would accommodate parking, but there was an onsite parking requirement. A developer did not get to count parking on a public street as part of their parking requirements.

Council Member Shelton walked through a scenario of a business on one of the local TOD roads. He said that because of the code, the parking lot would have to be behind a business. He would have to get out of his car and walk around the building to get into the business. As a business owner he would not want his storefront on that small road.

Mr. Bunker said he could say the same thing about Easton Park because there were several roads that didn't go anywhere down there and there were businesses that were doing quite well.

Council Member Shelton said he understood that. He added that he owns a real estate license. He had seven buyers who passed up on Easton Park because they felt it was a horrible location. He knew that location was attractive to some and not to others. However, in Easton Park there were four or five corners in the development that had retail. He agreed with Mr. Quinn that the best locations for businesses would be on the higher traveled roads.

Council Member Hunter asked if Council Member Shelton was advocating for removing the 25% retail requirement from the interior and replacing it on the exterior roads or was, he in support of

getting rid of half of the required retail. Council Member Shelton said he had not come to a conclusion on either option. He just felt that they needed to have a conversation to begin with if it made sense to have commercial development on interior roads.

Council Member Hunter said it was not required right now. The amended the code to allow developers to move interior retail to exterior roads, but to maintain the total percentage per development area.

Mike Hathorne, Representative of Crescent Communities, said they had not removed the requirement for interior street retail because American Fork's metric for generating mixed use in the transit core was based on streets; anytime a street went in as part of a development there was a requirement for retail on that street.

Council Member Hunter said that was because anytime a street went in there were residents on that street. When there were additional residents, he needed a commercial or retail space for those residents to go to. Council Member Shelton said regardless of if they pushed clustering to the outside, for him it did not make sense to put business on small streets within developments.

Council Member Carroll said that for her the only reason why Easton Park was relevant was because Council Member Shelton kept using it as an example that there wasn't demand for this type of development. She didn't think that was accurate to say that.

Council Member Shelton said he worked with billions of dollars of commercial projects for a living. Based on his professional expertise, when an investor or a business owner comes in to look at a property, they want a location that gives the visibility and sets them up for success. He felt that having commercial on those interior roads probably was not going to be the type of ROY that a developer or a business owner was looking for. He felt they would have a better opportunity on busier streets.

Council Member Hunter said that the code currently allowed for that. Council Member Shelton said he didn't care about the code. He wanted to know if the Council had come to agreement from a strategy standpoint about how they wanted to shape development. Since clustering was allowed, the second question became how much commercial development did they want to require. He asked if this developer was allowed to cluster, how much commercial or retail development would they have to put on the exterior roads.

Mr. Quinn said that if they required the 25% on both interior roads and exterior roads, they would be required to have ~19,000 square feet of commercial or retail space. If they only required the 25% on exterior roads the commercial/retail requirement would be 10,000 square feet.

Council Member Barnes stated this would cut the total retail in half. Mr. Quinn cited Day Break again. They were not required to provide retail or commercial space, but added the 10,000 square foot building to benefit their residents and other community members.

Mr. Bunker asked if that was the clubhouse he had talked about previously and if it was a retail space. He asked if people could work out or rent out the space.

Mr. Quinn said they had shared working concepts where office spaces could be rented. There was a social house that served coffee and hosted concerts. Mr. Bunker said in the conversation he had with Jason Burningham there were two options for reducing the retail component required on interior streets. First a developer could move that square footage, i.e. cluster. This had already been approved by the Council. The second option, which would allow a developer not to include this retail component at all, was to charge an associated fee to match what the associated benefit would have been had that retail space been developed.

Council Member Shelton felt as though there were two arguments that for him were conflicting. The first argument was that the City needed the commercial development for the people who would be in the TOD. The other argument was that the commercial was needed because the City needed the money to be able to pay for increased amenities in the TOD. He suggested that they build the TOD such that it was a flex space. This would allow the City to get the development they wanted while waiting for the economics to catch up and meet commercial demands. He didn't know if they could still charge a fee for putting in residential development before a space transitioned to being commercial. He was pretty set against putting commercial/retail spaces on those interior roads because he didn't see them being successful.

Council Member Taylor expressed frustration in the tone of the dialogue and that they were arguing over semantics. He also struggled with the fact that they developed this corridor of the TOD so they would have commercial space throughout. However, in order to fund other development, they proposed letting developers pay a fee to get out of putting in those commercial spaces. He did not know where that commercial space could be moved to and be more effective than in the transit core. He agreed with Council Member Shelton that it did not make sense for those interior roads to have businesses. He felt that Easton Park was entirely different. There were parking spaces and playgrounds that were all in the same area. There were no issues getting to those retail spaces. Although he was not in favor of developing on the interior streets, he did support clustering. He felt it made sense for commercial development to be on the more major streets.

Council Member Carroll said that part of the issue was they were using the street itself to calculate where the commercial was located. From a developer standpoint it was not just a matter of clustering, but that if they increased the number of streets in their development that increased the amount of commercial space they were required to provide. She wondered if instead of requiring commercial on every street that it be required only on those corridors, but had to meet whatever percentage the City says it should be, perhaps based on land area.

Mr. Hathorne said they did not argue with the vision. He disclosed he was not part of the mixed-use amendment. In fact, he was against it because of how it was framed. The issue he had was with how the City was generating the quantity of retail space required. It was out of balance with what the market would actually allow. He said the Council might not have liked the approach they took relative to the text amendment, but what they were trying to do was tailor the quantity of commercial to what the market can support and allow a developer to move forward with a project.

Council Member Shelton asked what the number was that the market could support. Mr. Hawthorne said the feedback he got back from Zions Public Finance which accounted for how the market had changed with COVID and increased internet sales was 15 square feet per resident. As

a City generated residents it should attach 15 square feet of commercial development. Council Member Shelton asked if they used the 15 square feet per resident number, how many square feet of commercial would be required based on the number of residents that would be generated by the Crescent Communities development. Mr. Quinn Makay said that on average the development would have 1.5 residents per unit. This would come out to ~8,100 square feet of retail or commercial space. They were prepared to provide more than that.

Council Member Shelton recognized 15 square feet per resident of commercial support for their development. In his mind, however, the commercial space was supposed to service more than a single development. As they looked at demand in the calculations from Zion's, did they need to calculate an additional rate of the demand for commercial outside of a single development.

Mr. Hathorne said yes, but that type of metric should have been established before houses were built. Otherwise, they were putting a burden on new developers for rules that were made in the past.

Council Member Shelton said again that he really thought they needed to look at flex space. He suggested they agree to the 10,000 square feet they had proposed, which was 1,500 square feet more than what they claimed the market could support and then have them dedicate the remaining 9,000 feet to flex space. If the market switched and there was more demand for commercial space, as a developer they would flip it. He suggested they also apply a fee for flex space. For him this would be the best of both worlds.

Mayor Frost said they had 10-15 minutes to close out the discussion. Because of this, he was going to close the discussion off to anyone who was not staff or the Council. He felt they needed to come to some sort of consensus to guide staff and the direction of the code change. He acknowledged that he was still settling on his own opinion. They were developing an entire community in the area and felt that 200 South played a key part, not only in meeting that community's needs, but also in the surrounding area.

Council Member Shelton said again that they needed to look at flex space. He wanted staff to take a look at where that had worked successfully and where it had not. He also felt there was wisdom in moving away from requiring mixed use on all roads. He felt that metrics from a place like Zions Bank Financing that specified the amount of commercial space per resident would be helpful. He also felt a geographical circle needed to be associated in the calculation. He noted that the code amendment they did on commercial requirements was pre-COVID. There had already been studies that show how COVID disrupted spending patterns in retail spaces moving forward.

Mayor Frost asked Council Member Shelton if he felt that there would be the same buying patterns in a close-knit walkable community. Council Member Shelton said he had clients that live in Highland who would rather do a Zoom meeting because of convenience even though they could just come around the corner and meet in person. Even when he looked at his own buying patterns. When he needed office supplies, he no longer drove to Office Max. Instead, he just got on Amazon and had what he needed delivered to his door. Amazon could not replicate a coffee shop experience. There were even things like Pelaton who were trying to replicate a gym space in the house. However, as the economy opened, they were finding that people wanted the social aspect of going to the gym.

Mayor Frost felt there was a lot to be considered that came up at the meeting. He asked that all of the members of the Council send him their thoughts within the next week. Council Member Shelton and Carroll felt this discussion needed to continue in a public meeting so there could be more discourse.

Council Member Carroll said this conversation had been good but that she felt she needed a minute to think about it. She felt this was a really big decision. She recognized the balance of bringing the item back for further discussion to make the best decision and the fact that developers were waiting.

Mayor Frost noted that Crescent Communities had pushed staff to review documents when they were not even annexed into the City. He said he had told staff not to consider the application until it was annexed into the City. There were very aggressive developers that were still unincorporated in Utah County. He felt time was important and asked if they wanted to bring the item back in two weeks.

Mr. Bunker suggested it might take longer than two weeks because they did not have a City planner at the moment. He liked the idea of looking at flex space and finding examples of where it had been successful and what it looked like when a flex space flipped. Finding examples would take time.

Mr. Quinn asked the presentation he gave to Mr. Bunker be circulated to the Council. He said they provided four examples of flex spaces and how they converted in regards to timeline. He said part of their text amendment addressed design elements of buildings such as 12' ceilings, a certain amount of glazing, access from the main road, etc.

Council Member Carroll said she would like that information. Council Member Taylor said he needed to better understand the financing components brought up by Mr. Bunker. He said the flex had great interest to him.

Mr. Bunker said if they could not finance the improvements, they needed to have a different discussion. He asked how they were going to have 15,000-20,000 people live in the area on a cattle trail. Council Member Shelton said it came back to the CRA. The time had come to fish or cut bait. They had been working on the CRA for six years now. They needed to make a decision now.

Council Member Shelton said he would like to see something substantial like a letter from the School District that expressed their support of the CRA. Until that happened, he felt the CRA was nonexistent because it wasn't something they could count on. He also mentioned they had worked with a lot of developers in that area who had not annexed into American Fork and required a lot of staff resources. AF Utah LLC was one of those developers. For him it was important not to abuse staff time, but also to not cater to one developer over another. They needed to have a workflow that demonstrated that developers got the same time and attention.

Council Member Barnes felt they needed another work session. He proposed an optional special session that was not on the regular Tuesday work session. They were always jammed up which caused them to kick the issue down the road.

Council Member Shelton suggested that the goal at the next work session be figuring out financing and flex space. Mr. Bunker said they need Jason Burningham's help to figure out the financing and he wasn't sure if they would be ready in two weeks.

Council Member Taylor wanted a real meeting with the School District not just with Rob Smith so the Council can clearly understand what part they want to play in the development of the TOD.

Council Member Shelton asked if they could have a joint meeting with the School District. He said that Mr. Smith was great and gave advice to the school district board but he did not have a vote at the end of the day even if the people who voted relied heavily on his advice just as the Council did with Mr. Bunker in his position. He asked if there were other items besides flex space and financing that the Council would like to discuss at the next work session.

Mayor Frost asked if staff could also pull together information on impact fees and how they might be able to support development in the TOD. He noted that while they estimated that it would take \$25 million to develop the TOD, that was the whole area. The cost to improve amenities just in the transit core district would be less and more achievable.

Mr. Quinn asked if there was consensus on when this would be on the agenda again so they knew when they needed to be back. Mayor Frost said they were not sure because they needed more data and help from their advisor.

4. Adjournment.

The work session ended at 6:02 p.m.



Terilyn Lurker, City Recorder