

SOUTH JORDAN CITY
CITY COUNCIL STUDY MEETING

October 1, 2024

Present: Mayor Dawn R. Ramsey, Council Member Patrick Harris, Council Member Tamara Zander, Council Member Kathie Johnson, Council Member Jason McGuire, City Manager Dustin Lewis, Assistant City Manager Jason Rasmussen, City Attorney Ryan Loose, Assistant City Attorney Charity Brienzi, Director of Strategy & Budget Don Tingey, Director of City Commerce Brian Preece, Director of Public Works Raymond Garrison, CFO Sunil Naidu, City Engineer Brad Klavano, Director of Administrative Services Melinda Seager, Police Chief Jeff Carr, Fire Chief Chris Dawson, Director of Recreation Janell Payne, Communications Manager Rachael Van Cleave, IS Senior System Administrator Phill Brown, IS Systems Administrator Ken Roberts, GIS Coordinator Matt Jarman, City Recorder Anna Crookston, Meeting Transcriptionist Diana Baun, City Planner Greg Schindler

Absent: Council Member Don Shelton

Others: Fred Philpot, Alberto Garcia, Jeff McKay, Lisa Stowe, Carol Brown, Alexandra Franklin

4:37 P.M.
STUDY MEETING

A. Welcome, Roll Call, and Introduction: *By Mayor, Dawn R. Ramsey*

Mayor Ramsey welcomed everyone present and introduced the meeting. She excused Council Member Zander, who was on her way, and Council Member Shelton who would not be attending.

B. Invocation: *By City Commerce Director, Patrick Harris*

Council Member Harris offered the invocation.

C. Mayor and Council Coordination

Mayor Ramsey discussed the Pumpkin Promenade coming up.

D. Discussion/Review of Regular Council Meeting

E. Presentation Items

E.1. Google Fiber update. *(By Google Fiber Representatives)*

Alberto Garcia (Government and Community Affairs Google Fiber) Since 2021 they have made Google Fiber service available to 15,982 homes, amounting to 1,055,500 linear feet or 199 miles within the city. This year they have added 5,664 homes, and they still have work to do. They discussed their future intentions to stay with the city in the future to stay on top of future projects that could impact their infrastructure. Jeff McKay and his team do a great job with keeping in contact and staying on top of potential issues in the future.

Council Member Zander joined the meeting.

Jeff McKay (Construction Manager Utah/Idaho) they are currently closing out existing permits, and still looking at other opportunities as they come in including new builds, HOAs currently in contracts, etc.

Mr. Garcia continued discussing the rest of the city that doesn't have service yet, with a large portion of that being Daybreak which is bound by a competitor's contract.

Mayor Ramsey asked about her neighborhood.

Mr. McKay responded her neighborhood is unfortunately limited by their isolation, requiring the infrastructure to go through Daybreak to get to that neighborhood. They have spoken to staff and discussed some options.

Mr. Garcia added that they are happy to look at specific addresses and neighborhoods to explain why, logistically, they weren't able to reach them, and explore options to connect them. At this point, they have basically reached everywhere they can as a whole.

Council Member McGuire asked about the buy-in needed to justify reaching customers and discussed the Daybreak residents paying twice for internet and already paying other competitors for internet since the HOA provided internet doesn't meet their needs.

Mr. Garcia responded it's not about the buy-in, they want as many customers as possible. It's more the logistic construction components of getting to those areas. He discussed the mayor's neighborhood and having to go through Daybreak to connect there.

Staff and presenters discussed the fact that Daybreak does not own their roads, and that the city or Google Fiber could do work there, running their cables, without the HOA's permission.

Mr. Garcia noted that while they could legally add the cables to the road, it would be running a lot of cable to get to one neighborhood. It's the density of the area they are running cables to that matters more than anything else.

Council Member McGuire added it's not just the mayor's neighborhood, but the additional growth coming out that way in the near future that should be considered.

Council Member Zander noted there is a huge development west of Daybreak coming into the city, so beyond the mayor's neighborhood there is a huge amount of housing coming that could justify beginning that connection now. It also means in seven years, when the Daybreak contract is up, Google Fiber is better positioned to negotiate for that new business if they are already there.

E.2. Water Utility Rates & Solid Waste Fee Study Presentation. *(By Director of Public Works, Raymond Garrison & LRB Vice President, Fred Philpot)*

Fred Philpot reviewed Attachment A regarding the water utility rates & solid waste study results.

Council Member Zander asked for a dollar amount being added to the bill for an average resident.

Mr. Philpot responded average indoor use a month is about 6,000 – 10,000 gallons.

Assistant City Manager Jason Rasmussen shared for comparison that he lives on a quarter acre and in the summer he uses about 30,000 – 35,000 gallons indoor and outdoor.

Mr. Philpot added that it's about a \$7.00 increase on 80,000 gallons per month, so for a smaller or more average lot you'd be looking at around a \$3.00 - \$4.00 increase per month for water and \$1.30 per month for garbage.

Council Member Zander noted that when/if this happens, it needs to be made very clear that the increased costs depend on the tiers and how much water you use and/or conserve; send a message of the more you conserve, the more money you save.

F. Discussion Item

F.1. Short Term Rentals. *(By Assistant City Manager, Jason Rasmussen & City Attorney, Ryan Loose)*

City Attorney Ryan Loose introduced the Air DNA information being presented on Attachment B, noting that the city boundaries were not reflected properly in the report, but Air DNA has been alerted and they have agreed to get those fixed for future reports. Those discrepancies were noted by staff reviewing the report and have been taken into consideration during this report.

Assistant City Attorney Charity Brienzi reviewed Attachment B. She noted before her presentation that all the data after the first slide of the presentation will be 30 short-term rentals short. South Jordan has approximately 240 short-term rentals inside the city boundaries, but Air DNA categorized them by sub-area resulting in only 210 of the short-term rentals being recognized.

Attorney Loose continued noting that after the last meeting, it appeared that the council had agreed they didn't necessarily want to require a manager or owner to live on the property, but

that they wanted them to be within a certain distance for response. It also seemed that there were concerns about parking and homes being up to code for large groups. He noted that requiring short-term rentals to go through a business licensing process would allow for inspections and requirements for safety, along with ensuring the owner or manager lives within a specific distance from the property. When police are called to a short-term rental, if they know who the owner or designated manager is and how to contact them, it makes it much easier to hold the owners responsible and take care of issues.

Assistant Attorney Brienzi noted that some cities have signage requirements that include a contact number posted on the outside of the rental for easy contact, and this was also recommended by Attorney Loose as it allows both neighbors and emergency personnel to easily contact the person responsible. He noted that information can also be stored under their business license, rather than a physical sign, however that information can be hard to access in an emergency.

The council discussed the maximum distance an owner/manager should have to reside from the property, and it was agreed that it should be within one to three hours. They also discussed the contact information for the owner/manager being posted either somewhere obvious within the home or on the outside, agreeing that if on the outside it should be something small, like a no soliciting sign.

City Attorney Loose then moved on to discussing a potential maximum number of days allowed for short-term rentals, number of guests, etc. The council discussed parking issues, noting that restricting parking would automatically limit the number of guests allowed.

Assistant Attorney Brienzi noted that the city of Hurricane, Utah only allows up to 10 guests in a short-term rental. If a rental wants to allow more than 10 guests there are additional requirements for safety like fire inspections, etc.

Attorney Loose also noted that groups using Uber or renting large passenger vehicles for transport can fill up a home quickly with very little to no parking required. There are multiple ways to get a large group into a home without having to worry about parking a bus on the street, which is against city code.

Council Member Zander reiterated that currently there is no regulations on short-term rentals in the city, because it is currently against city code to short-term rental a home or any part of it.

Attorney Loose agreed and noted that any of the online listed short-term rentals could be reported and the city would reach out and tell the owners on record they are against the rules.

Mayor Ramsey brought up the guest limit in Hurricane, and noted she doesn't want to legislate everything to a "worst case scenario," since those are rare and dealt with. She doesn't think banning large groups overall is the answer, and did prefer more of the approach in Hurricane, creating additional requirements when larger groups are being marketed.

Council Member Johnson suggested creating more of a plan for the space as a whole, and how it should look with larger groups of people, rather than just setting a maximum limit for everyone.

Chief Carr noted that his concern would be safety as well, that fire sprinklers and other safety measures like emergency exits were not capable of handling those larger groups. He is fine with larger groups, as long as the building is appropriately outfitted to safely host those larger numbers.

Attorney Loose noted that he will address those safety concerns in the verbiage he comes back with, along with everything else discussed. He asked if the council wanted to have an absolute maximum number of people allowed, despite safety requirements being met. He gave examples of max guests per room or square feet, and the council agreed to look at some calculated examples of that when he comes back, rather than just a fixed maximum number of people. He then asked if the council had a desire to limit the number of short-term rentals allowed on one property, meaning they couldn't list their ADU and main home as two separate listings.

Council Member Zander shared that a resident suggested to her they come out of the gate very restrictive on this, and then back off as time goes on and they see how things go. She then asked, if they come out very restrictive as a city and it doesn't go well, what would be the recourse to adjust those things.

Attorney Loose responded they would just sit down as a council and create an ordinance to change the restriction. Once the rules are in place, they know where all the short-term rentals are, Legal with work with business licensing to reach out to all the owners and share the new ordinance with the requirements and offer help with business licensing if they need it. If they don't respond within the timeframe given in the initial contact, the city will begin with sending it through the code enforcement process. If that is still ignored it will move to the next step in the legal process.

Council Member Zander asked what happens if a short-term rental owner contacts the city, saying the new ordinance requirements don't work for them. For instance, they are only allowed 10 guests, but they have a seven bedroom home that can fit many more people than that.

Attorney Loose responded there would be no exceptions. They are establishing rules and setting the boundaries now.

Council Member Zander wants the council to consider whether they should start out less restrictive and tighten things up as they watch the results, or start super restrictive and ease things up as they watch what happens. As the council is piecing all of these parts together, they really need to consider that.

Attorney Loose noted that they can try and get info on what other cities are doing, but that can be hard to use since every city is going to do what works best for them. The information being presented is to show the council the main points they need to address and make decisions on now.

Council Member Johnson noted that if they start easy and decide to tighten it up later that won't work, as she believes the owners will get the letter, see the new requirements and give resistance from that point. Trying to come back and make things even harder will just create more problems. All the neighbors around these short-term rentals bought their homes as residences, they were not planning for their neighbors to turn their homes into a business. She understands the economy has changed, but she believes they should only be allowed to do this if it will not be a huge impact on their neighbors. She would like to look at creating something that gives the least amount of impact to the neighbors. There will be some impact, but let's try to keep these neighborhoods as residential neighborhoods.

Council Member Harris acknowledged all the discussion here today, noting the council member and staff personal experiences with these types of rentals in other areas. He is assuming that everyone here was a fantastic renter, causing no trouble and being the perfect renter. However, he doesn't believe that is the concern being addressed here. There are people renting these units out that will cause problems, and the city needs to make sure they are protecting the people outside those homes. He did some online research and saw those nightmare scenarios from other areas. He wants to be reasonable, but he doesn't want to be so broad that it makes things difficult for the others in the neighborhood.

Attorney Loose encouraged the council, from both an enforcement and legal standpoint, that eventually everything is done with criminal enforcement in mind. He would set whatever regulation they choose to set, and leave that in place without changes for at least a year or two to see what happens. If they are frequently changing the code to loosen or tighten up a regulation, it becomes extremely difficult to administer; either prohibiting it entirely or having no rules at all is easier than a moving target.

Director Preece used the food truck ordinance implementation as an example. While deciding what to include they discussed their fears, what have they heard and seen. They then put together an ordinance, and within a year they looked at it again and rewrote the entire ordinance after watching it work and seeing what is actually enforceable, what really doesn't matter, what did they not think about, etc. They had a plan from the beginning to look at the ordinance again within a year and there was quite a bit of stuff that it turned out they didn't need to worry about and stuff that it turned out they needed to pay more attention to or didn't even think of. He would suggest writing the ordinance they want, with their worst case fears in mind, and then re-evaluating it in about a year.

Assistant Attorney Brienzi shared a few things she has seen some cities do to help the neighbors and neighborhoods, including limitations on the total number of licenses, or a dispersion requirement to avoid a bunch on one street with only one actual homeowner living in their home as a resident all the time.

Attorney Loose brought the conversation back around and asked if the council wanted to limit the number of listings allowed per lot, and the council replied that they did want to limit that to one per lot. He then asked about parking spaces, do they want the guests to be allowed to use the public roads, or do they want them to have to park on-site.

Council Member McGuire is for both, as we allow everyone else to park on the street; he doesn't see the justification for banning them from the public right-of-way when everyone else can use it.

Assistant Attorney Brienzi noted that in the cities that did require all parking to be on the property, the only difference it made was being able to tell who was making money and running a business and who was just visiting the neighborhood.

Chief Carr also added that when they get calls for things like that, enforcing parking on the property versus on the street, the only thing they can look at is whether the car is legally parked or not.

Council Member Zander noted that if they did require parking on the property it would reduce the number of guests, unless they use Uber or something similar to get there. It would also give the city some more leverage to enforce infractions.

Attorney Loose noted that it would stop the larger gatherings with people coming from multiple places, but only if they can prove the cars are all there for that home. Many people who rent out their homes do want to follow the rules, once they know them. Those people will stripe spaces on their property to comply.

Council Member Zander noted that those only renting out a bedroom or two could technically park their own vehicles on the street and have the renters park in the driveway or garage, but a requirement on parking would require them to be creative.

Attorney Loose noted there are good arguments on both sides, but noted that parking is the biggest impact most neighbors see with every rental, even the best renters can't avoid having all those cars if multiple groups are coming to the same place.

Council Member Harris preferred requiring parking on the property.

Council Member Zander is agreeable to that as well.

Council Member Johnson agreed to on-site parking as well.

Assistant Attorney Brienzi discussed dispersion requirements. It will be an enforcement issue, as Attachment B shows where all the current rentals are and everyone can see how they are grouped. If a dispersion requirement was made, and one neighbor gets a permit first, the other neighbors would not be able to get one.

Council Member Johnson noted that a cul-de-sac in her ward has at least five short-term rentals currently, clarifying that they are only renting part of the homes, not the full home.

Attorney Loose responded that may be a case where with partial home rentals they might allow them to be a little bit closer together than homes being fully rented out.

Mayor Ramsey noted that the council has been elected to make the difficult decisions, and they need to find the fine line. Private property ownership is the most important thing, and it's the private property of the people who want to rent out their homes and the private property of their neighbors, along with the quality of life and impact of both. Regarding this potential dispersion requirement, if she were the neighbor who did have a permit, that would be great for her. However, if she was a neighbor that moved in later and then was told she couldn't do it because her neighbor is already doing it, that would feel like the previous Google Fiber discussion earlier tonight where the response is "sorry, your neighborhood doesn't get it" due to an issue out of your control.

Assistant Attorney Brienz added that they could also look at the properties that have an owner living there, and are only renting out a portion of their home. They don't have to necessarily put dispersion requirements on those types of rentals, those requirements can be applied only to whole property rentals, or any other category the council chooses.

Council Member Johnson asked if they could say that rental properties with the owner living on the property could be allowed closer together.

Attorney Loose responded that would probably be a little too complicated to hash out.

Director Preece believes if they choose the dispersion option, there will be much more enforcement time required as many will just think they can keep doing what they're doing until they get caught.

The council discussed whether or not to enact a dispersion requirement. They discussed the possibility of "cluster" areas where they might want to have the option in the future, but other than the lake and future ballpark they didn't see any other areas that could be a problem.

Council Member Johnson did mention an area north of Merit Medical, an older neighborhood that currently has a large amount, and along South Jordan Parkway in her district.

Attorney Loose noted those rentals were not showing on the Air DNA reports they ran.

Council Member Zander asked, if they did opt for the dispersion requirement and put a limit on the amount allowed within an area, what would happen in her area.

Attorney Loose responded that the first one to come in, if they complied with all the other requirements, would get a license, and the rest would be denied based on the dispersion requirement; unless there was a delayed dispersion requirement enforcement, which would allow all those currently in operation to get licenses, but no new businesses to be started. It was discussed that if someone were to then buy a house after that in the area, and apply for a short-term rental business license they would be denied. It was brought up that no one would really know they weren't eligible for that when they bought the home, and would be rightfully upset when they bought the home and then were denied the license. He also noted there are some

HOAs in the areas where the reports are showing dots for rentals, and that would be up to the HOA to enforce.

Assistant Attorney Brienz clarified that they are only talking about short-term rentals, any dispersion requirements on those would not have any effect on regular rentals of 30 days or more. There would still be an option to long-term rent their space if they were denied for the short-term license.

Attorney Loose noted based on the discussion they will write the first draft without the dispersion requirement, but the council can always decide after review to add that in if they change their minds.

Council Member Johnson noted she isn't sure if she agrees with no dispersion requirement, she will have to really think about that over the next few weeks.

Attorney Loose responded they will bring back an ordinance without it, but they will have additional options prepared with language to allow a dispersion requirement for the council to look at. He then moved on to asking about limiting the total amount of short-term rentals allowed in the city.

Council Member Zander suggested coming back and reviewing the numbers in a year to see if there is a huge jump from the current number in the city, and if there is, they could discuss setting a limit on the total number.

Council Member McGuire noted that one of the arguments against short-term rentals is housing affordability; short-term rentals are driving up the prices of housing. Based on that, he is comfortable with putting a limit on the number allowed in the city at some point.

Council Member Harris agreed with Council Member McGuire's statement.

Mayor Ramsey agreed that tying the total number allowed to the population felt like the right approach, rather than an arbitrary number.

Attorney Loose did note that the only issue with tying it to the population is that over time, population will increase, but the property sizes being added are getting smaller, which means more people are being packed in. The parking requirement would help corral some of that, especially with townhomes and higher density areas.

Council Member McGuire agreed he'd like to see a total number requirement suggestion based off the population as well.

Mayor Ramsey concluded by saying that the overall goal in creating this ordinance is to maintain the integrity of our neighborhoods, protecting the quality of life, without overreaching into people's personal property rights.

ADJOURNMENT

Council Member McGuire motioned to adjourn the October 1, 2024 City Council Study Meeting. Council Member Johnson seconded the motion; vote was 4-0 unanimous in favor, Council Member Shelton was absent from the vote.

The October 1, 2024 City Council Study meeting adjourned at 6:29 p.m.

UNAPPROVED