

**MINUTES OF LAYTON CITY PLANNING COMMISSION WORK MEETING  
TUESDAY, July 22, 2008**

**MEMBERS PRESENT:** Commissioners Tim Pales, Gerald Gilbert, Kristin Elinkowski, Ron Stallworth, Blake Hazen, Dave Pratt

**ALTERNATE MEMBERS PRESENT:** Brent Allen, Ryan Stevenson

**MEMBERS ABSENT:** Sharon Esplin

**OTHERS PRESENT:** Staff Members: Bill Wright, Peter Matson, Kem Weaver, Amanda Jorgensen, Brandon Rypien, Ben Hart, Julie Jewell, and Steve Garside.

Commissioner Blake Hazen asked for a correction to the June 24, 2008, Planning Commission minutes in the conditional use request for Dansay, Inc. He asked for the wording in condition 1 to be changed from “shall” to “may.”

**PUBLIC REVIEW:**

**(1) T-MOBILE COUNTRY OAKS DRIVE CELL SITE – POWER POLE ANTENNAS  
-CONDITIONAL USE AMENDMENT**

2273 East Country Oak Drive

This property is in a R-1-10 (Single Family Residential) Zoning District.

Kem Weaver, City Planner, was asked by Commissioner Hazen if there were any hazards involved with the request to amend a previously approved conditional use on this property. Mr. Weaver replied that there were no hazards.

**(2) R & L FENCING & DECK – CONDITIONAL USE – OUTDOOR STORAGE**

968 McCormick Way

This property is located in a M-2 (Heavy Manufacturing/Industrial) Zoning District.

The applicant is Richard Bourne, DLaney LLC.

City Planner, Amanda Jorgensen, presented R & L Fencing and Deck’s request for conditional use for outdoor storage at their new Layton site on the corner of Gordon Avenue and McCormick Way. She said the owner was in the process of cleaning up the property. She described the fencing for outdoor storage and plans for signage and landscaping. The existing outbuilding will eventually be removed. She said the longer building on the property will be used to manufacture fencing materials and for a showroom for customers. Ms. Jorgensen said the Fire Department is working with the applicant on the height of the materials to be stacked. She said that normally the fence would be 6 feet high, however, this property is adjacent to the railroad tracks and the ordinance allows fencing up to 15 feet high in these areas. The applicant is requesting an 8 foot fence. Ms. Jorgensen stated that trees that have been removed must be replaced with at least 7 trees on Gordon Avenue and 7 trees on McCormick Way.

The applicant is currently working with a contractor on an approved parking layout with 54 parking stalls

required. Ms. Jorgensen reviewed the 11 required conditions which were in the Staff report.

The Commissioners felt Condition #2 stating that the business would be required to follow all requirements from the State of Utah for outdoor storage including the stacking of materials was

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contradictory to Staff's statement that the "outdoor storage area was not to be used for storing junk, trash, building materials, debris . . ." Assistant City Attorney, Steve Garside, suggested that Condition #2 be modified to read ". . . stacking of inventory" rather than ". . . stacking of materials."

In answer to a question on dumpster screening, Ms. Jorgensen said the dumpster must be enclosed with a gate unless screened by fencing as not to be seen by the public.

There were no other questions from the Commissioners.

### **(3) DIAGNOSTIC EVALUATION CENTER – CONDITIONAL USE – YOUTH EVALUATION TREATMENT CENTER**

1635 North 1200 West.

This property is located in a R-M1 (Low/Medium Density Residential) Zoning District.

The applicant is Scott Smoot.

Ms. Jorgensen presented the applicant's request for conditional use for a Youth Treatment Center which is currently an assisted living facility. She said the center would be regulated by the State with children staying overnight for up to 45 days. A school teacher would come each day, and children would be taken to medical and dental appointments. The facility which has 9 bedrooms could house up to 18 children at a time. Commissioner Hazen asked if the children could roam or leave the campus. Ms. Jorgensen said she would clarify that with the applicant. Ms. Jorgensen reviewed zoning in the area stating that a daycare facility was not quite a block away to the north. She said the evaluation center would be enclosed by a 6-foot fence, have 5 parking stalls which are currently on site, and would need to have multiple trees added to the existing landscaping.

Commissioner Ron Stallworth asked if there had been public response to the request. Ms. Jorgensen said the only response had been from the person who currently has an assisted living facility in the home and did not know a different use was planned.

Ms. Jorgensen reviewed the 10 requirements outlined in Staff's report and said the State would need to approve the facility. She said the State requires 1 adult per every 4 children for supervision. Visitations would be limited. The purpose of the facility is to assist and evaluate the children and then take them back to their homes to evaluate conditions there or to determine if they need to be referred somewhere else.

Commissioner Ryan Stevenson asked if approval from the State was needed because of the proximity to the daycare. Commissioner Gerald Gilbert said that although the Planning Commission was being asked not to pre-judge the children, he asked that a condition be added to state that the children housed in the facility must not be sex offenders or have alcohol or drug abuse issues.

**(4) DAIRY QUEEN – CONDITIONAL USE – LED MESSAGE CENTER SIGN**

1142 East Highway 193.

This property is located in a CP-1 (Planned Neighborhood Commercial) Zoning District.

The applicant is Gary Mellor.

Brandon Rypien, Planning Technician, presented the applicant's request for conditional use which is required in a CP-1 zone for an LED message sign. The proposal is to use the pylon from an existing sign with no modifications other than the new sign will be 17 feet high, which is one foot taller than the existing sign. The maximum height is 20 feet with a 10 foot setback from the public right of way. The Community & Economic Development Director, Bill Wright, gave approval according to ordinance to lower the clearance from the ground to 8 feet from the usual 10-foot clearance. The applicant is allowed 103 square feet of signage but is only using 42 square feet. There were no questions from the Commissioners.

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Mr. Rypien and Mr. Wright had discussed changes to Condition #6 which states 5% of daily signage be dedicated to community services. Although this requirement is stated in the ordinance, it is hard to regulate. Mr. Garside cited Goldwest Credit Union as a good example of public signage use because they advertise for schools and community services on their reader board.

**(5) BCL PROPERTIES – REZONE – R-M1 and R-1-10 to R-M1 PRUD – CONCEPTUAL APPROVAL**

Approximately 1200 East Gentile Street.

These properties are located in an R-M1 (Low/Medium Density Residential) and an R-1-10 (Single Family Residential) Zoning District.

The applicant is Brian Lamano.

Peter Matson, Long Range Planner, presented the request for rezone from R-M1 and R-1-10 to R-M1 PRUD and conceptual approval for the property at approximately 1200 East Gentile Street stating that the applicant had previously been before the Planning Commission proposing an R-M2 zoning change. The Planning Staff, Fire and Engineering Division have reviewed the plans. Mr. Weaver's recommendation was that the west end of the property should be used for a building near the detention pond allowing for open space between the buildings and along Gentile Street.

Mr. Matson explained the conceptual plan stating that Engineering had approved the conceptual plan with corrections to be made before preliminary approval. He said Staff would like to move toward preliminary approval. Commissioner Gilbert asked how many units the PRUD overlay would add. Mr. Matson said the range for the R-M1 PRUD zoning is 14-21 units per acre and the applicant is proposing 18.35 units per acre. In response to a question as to why the PRUD overlay was added, Mr. Matson said the R-M1 zoning designation without the overlay would only allow one building per lot at 15.85 units per acre. The applicant will need a density bonus of 35-40% to achieve the 18.35 units per acre proposed. He said this required density bonus forces the developer to upgrade landscaping, fencing and parking.

Mr. Matson said the applicant has been consulting with the Utah Department of Transportation (UDOT) which required a letter from the City stating that the City is aware of the project. The previous home on the property allowed for one grandfathered access which UDOT has allowed and the applicant is negotiating a second access that would be a siren activated gate.

There were no other questions from the Commissioners.

**(6) LAYTON CITY – REZONE – CP-2, C-H, R-M2, AND R-1-8 TO MU**

Approximately 110 acres of the Downtown Plan Area, generally east of I-15 to Fort Lane, and Gentile Street to the South Layton I-15 off ramp.

Mr. Matson presented information about commercial projects locally and nationally that would fit in the Fort Lane area which is proposed for rezone. This handout is attached to the regular meeting minutes. He also presented a article from the Wall Street Journal provided by Doug Durbano, part owner of the property, regarding mall space, open air centers, and lifestyle centers.

Commissioner Elinkowski asked about Councilwoman Joyce Brown’s idea in the joint Planning Commission and City Council work meeting to consider two different zones – CP-2 (Planned Community Commercial) and MU (Mixed Use) – for portions of property. Mr. Durbano had also presented the developers’ plan at that meeting.

Mr. Matson said that a little over a year ago, the proposal to rezone this property to MU was before the Planning Commission based on the Downtown Plan Recommendations. The Planning Commission recommended approval of the rezone to MU. However, the City Council, in their review, did not adopt

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the area east of I-15 to be rezoned to MU and asked the Planning Staff to work with the developers on a plan for that area. Mr. Matson said the purpose of the rezone proposal tonight is to ask the Planning Commission to reaffirm their original recommendation. He stated that property owners within the 110 acres have been notified and neighboring residents and businesses were invited to an open house on Tuesday, July 15, 2008.

Mr. Matson was asked to explain the difference in uses between the MU zone and the CP-2 zone. Commissioner Elinkowski clarified that the land owners at the Fort Lane Shopping Area were not in favor of the zoning change. Mr. Matson said the owners closed on the purchase of the property in January of 2007 when the Planning Commission was in the process of working with an advisory committee before presenting the property for rezone at a Public Hearing. Commissioner Gilbert asked if there were meetings to inform owners prior to the owners purchasing the property, and Mr. Matson responded that there were multiple meetings.

Mr. Matson said the owners considered a rezone from CP-2 to MU a “down zone” since big box retail is allowed in CP-2 but not in MU. He said the proposed zoning would limit any tenant to 40,000 square feet per floor of space. The MU zone also allows residential development from single family to 24 units per acre. The intent is not to create non-conformities in the area with Hatch Auto already being legal nonconforming. Single family uses at the south end of the rezoning area are currently non-conforming in the C-H (Commercial Highway) zone, but would be conforming in the MU zone. Mr. Matson agreed with Mr. Hazen that multi-unit residential property is not considered as valuable as commercial property.

Mr. Matson said Staff is concerned with how to deal with a proposed concept plan that may or may not happen and does not recommend breaking the property up into multiple zones. He said Staff feels a possible design exception in the MU zone with a large retail overlay could be used if the tenant is larger than the 40,000 square feet per floor such as a big box use. He said Staff’s recommendation would be to initiate a design exception rather than multiple zones. Commissioner Gilbert felt the development agreement should be worded to not allow more than one big box. Mr. Matson described similar developments in other areas. Mr. Matson said Staff’s recommendation is to proceed with the MU rezone according to the recommendations of the Downtown Plan.

The Commissioners discussed the positive aspects of the rezone to MU.

By \_\_\_\_\_  
Julie K. Jewell, Secretary to the Planning Commission

**In the event of an absence of a full quorum, agenda items will be continued to the next regularly scheduled meeting.**

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Layton City Planning Commission Meeting  
July 22, 2008  
MU Rezone

Dear City Planning Commissioners:

7/21/08

My name is Louise Brown. I've lived in Layton for 13 years in a home three blocks east of this project. I've been a journalist for more than 20 years. I tell you this so you know how it is that I was able to write down most of what was said at the work meeting held last Thursday. I am giving you a copy of my notes, realizing that either you have or will receive a full copy from your own sources. Meanwhile, here are mine—not verbatim—but close.

Here's why I've handed them to you. During that work meeting I noticed that those representing the developers had a couple of common themes that concerned me greatly.

The first one was "Let the market dictate this project." I've highlighted in yellow some of the most direct statements. You can see them on pages 2, 3, and 4. (Attached).

I find this repeated request to "let the market dictate this project" alarming. The current CP-2 zone allows far more imposing, far less sensitive buildings and configurations than this drawing we've all been looking at. According to what was said at the work meeting, two big boxes could be built here. Now *that* is what the market would dictate.

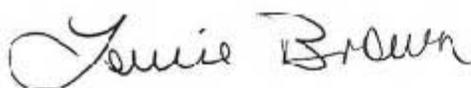
I ask you to hold that thought while I introduce a second concern. We were also informed at the work meeting by Mr. Ostermiller, (I quote) "The residential component does not work. No one in this room would pay \$250,000 for a condo or town home sitting between commercial and a freeway." (blue statement, pg. 4)

Here's the truth: I, and many others in this room have already made that level of investment in this area. True, we are not between commercial and the freeway. But we are living in our homes there. If proximity is such a driving force, then a potentially large-scale project in this area must have all reasonable restrictions imposed on it to ensure that those of us who made our investments years ago, live in them, improve them, and sink our livelihoods into them are protected. The residential is already here, and we stand to lose if this isn't done correctly.

As City leaders, you hold the authority to protect us by rezoning this property to the Mixed Use zone. You know, of course, that if you do not, and you leave it at CP-2, then this plan that we've all been looking at becomes a blank page and they get to start over. Though it has no residential areas drawn into it yet, this plan does show some sensitivity to the area. Those of us who will live with this project must see that remain.

In closing, I come full circle and ask you to remember the repeated statements of "Let the market dictate what happens here." To that I say, No, You are the ones in authority. You are the ones who dictate what happens here. Please do not forget that. And when you do dictate what happens here, please make sure it protects those of us who have already invested far more than just our money in this area.

Thank you.



Louise Brown  
343 South 750 East, Layton  
497-9990; 524-8174

**Statements from Layton City Work Meeting held Thursday, July 17, 2008**

With: Mayor Steve Curtis, City Council members, Planning Commissioners, developers of the Gentile/Fort Lane project and their representatives, and interested residents.

Some of the parties in attendance:

City leaders: Mayor Steve Curtis, City Council (incl. Renny Knowlton, Joyce Brown.

Staff: Peter Matson, Bill Wright, and more

Developers group: (No formal introductions to those who were not previously involved in discussion, [i.e. residents], so names are spelled phonetically): Kevin Gam, Attny Mike Ostermiller, Dan VanZeben, (Architect) Adam Hawkes (NAI), Dave Winnic (NAI)

Overview by Bill Wright & Peter Matson: Put in place plan for downtown: commuter light rail, I-15 off-ramp--- this is the opportunity for revitalization.

- TIMELINE (by Peter M.) Original discussion began with study from hired consultants from the east coast. Initially was of Gentile and Main Street. Completed Feb. 2000.
- In 2002, Envision Utah chose Layton as a study for commuter light rail. Decided to take study area to the Fort Lane area as well.
- The RDA was established in 2002, and updated in 2004.
- Downtown studied by an Advisory Committee; Established study area in June 2006.
- Planning Commission approved the plan for the entire study area in June 2007; adopted by City Council. Rezoned the area west of the freeway Mixed Use in 2007. Placed temporary zoning regulations and agreements with the "Fort Lane Village LC" on the east side. This expires August 17.

Goal with the Parcel: Create new retail center, bring buildings to the street, create smaller scale parking areas, and link the area to the City Center area.

Showed Colored map showing areas in the entire end of Layton, with "Old Downtown - Gentile and Main", "Corporate Center" - South of Layton Interchange - not yet adopted but future idea to upgrade the area with corporate near new ramp (in residential area on east side of freeway, south of Big Box, goes south all the way to Kaysville). The new exchange empties into Twin Trees.

"We're at a point of a generational decision. It's a different kind of retail area. It's important to get it right."

City fathers went to the "International Conference of Shopping Centers" in Las Vegas. Mike Bowluis, Mayor Curtis, Bill Wright, other staff. Asked, Where do you park cars? They visited Costco Center there.

- \*In typical retail, there's a short depth between parking and the store. Here it's 20 to 40 feet wide. Will have short setbacks to the street on Gentile and put the parking inside.
  - \*The signature building on the corner of Gentile and Fort Lane will have water features, sitting areas. We're putting a lot of money into landscaping and accouterments—"Old Towne" elements.
  - \*This plan segregates traffic from the access points.
  - \*Trees are 20-foot high trees.
  - \*The signature building on the corner of Gentile and Fort Lane will have water features, sitting areas.
- 

Mike O.:

We can design those gathering areas any way the City wants— even a Gateway-like fountain, stage... We've tried to leave enough space to do that kind of thing.

Adam Hawkes from NAI:

I specialize in leasing and sales of commercial real estate. Perhaps the most successful we've ever seen is Gateway. It has offices, retail and residential.

About amenities: People don't go to Gateway to gather; they go to shop. The reality is fountains enhance, but they do not draw people. With the economy the way it is, we see tenants wondering what to do. Home Depot is wondering what to do. So we can't know what's in the future.

**This site has to have economic drivers.** There has to be a 150,000 square foot Box here. Maybe 6 medium boxes.

In the coming months, **it would be to your disadvantage to impose zoning that restricts what the market dictates.** If office space is best, you do office space. But **it's got to make economic sense.** Mixed Use doesn't. In my neighborhood there are 75 homes, and maybe 20 of them are for sale. The majority of those are on the freeway. No one likes to live by a noisy freeway. I'm trying to get out of there myself. ... We have to look at the reality. Who will live there? I see many mixed uses, but I don't see residential here. You'll notice Dan hasn't drawn any in. We're dealing with a different market, different trends. **My suggestion is the market will dictate what will happen here.**

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Mike Bowhuis asked if young professionals would live here.

Adam H.:

No. Climate dictates that. People won't walk in snow. I'm a big fan of what Ogden City's doing. But when it comes to profitable projects and services, they're not making it.

Dan V.:

(Talked about Ogden developers they're working with. Banks required 80% sold before they'd fund construction.)

A Big Box, 150,000-100,000 square feet is a large space. When designed with appropriate approaches, treatments, landscaping, you can minimize the visual impact. If

it's 28 feet high, you're not looking at a building appreciably. It can be market driven. Those spaces and buildings [on the drawing] can be changed to meet the activity.

Access points are from the freeway, from the intersection of Gentile and Fort Lane; across from Twin Trees. This will have an "Old Towne Main Street" look. Not parking on the street; a lot of the parking went to the backside of the buildings.

This is a conceptual plan. Market forces will drive what we develop.

To have the downtown feel, you have to have places where people can sit out, where everybody sees active living going on. A 20-foot-high tree can help give that look. "Sensitive design and a treatment that meets the goals of assuring we can achieve what they want."

Dave Winnie (NAI).

The market is changing. No present access at this site is why it looks like it looks. It's been hard to get to. The only reason we're talking about it now is the freeway. Hats off to Kevin Garn for being willing to tackle this. This is the result of getting the freeway interchange. This site now has validity. There are unique circumstances of this property. You'll have a major freeway going through it. The synergies of the parks and meeting places will alleviate noise polluters. So when you're in this element, you're not overpowered. The residents in this area have to live with the noise of the freeway. But the Big Boxes against the freeway will buffer the sound.

Dan V.:

What we're trying to do with this is come together with a viable project that meets the city's needs, and has the economic viability to make this work. Match anchors with the Big Box and the Medium Boxes. It's necessary to let the market drive this.

Mike O.:

There's a lot we can do under the current zoning. Tenants want to know what residential is in the area. Where does the freeway off-ramp go in? Who's anchoring it.

Part of the residential areas of Gateway were tax subsidized. That RDA gave back \$17 million just for a single aspect of it.

This site does not lend itself to Mixed Use. When it starts to happen, retailers will take notice. The residential component does not work. Putting in this main would pay \$230,000 for a condo or town home sitting between a commercial and a freeway. The area of this ground deserves a higher value than that. You sell yourself short if you put this into a Mixed Use. It's a commercial zone. The market is changing, and the economy is slow. You should work with what the economy is doing. Hold the current CP-2 zone; no Mixed Use.

City Council Member:

Are you saying a Gateway wouldn't be successful now?

Dan V.:

If you go see, the original tenants aren't there anymore. (Implied they were there to fill a quota to obtain financing, then left). We need to bring in amenities—water, landscaping, signature elements.

Mike O.:

This is a very expensive plan.

Planning Commissioner: Have you provided ample parking?

Dan V.:

Yes. As we get into this, it may be necessary to put some of the parking under the buildings.

Mike O.:

We're trying to keep the parking to a minimum. We're cutting it close. We're trying to mitigate the amount of blacktop. This is a scaled plan. This is an idea of what it will look like. We're pushing the envelope to preserve the vision.

Dan V.:

For this development to be successful, there will be cars on Gentile and Fort Lane. To say otherwise would be blowing smoke. The reaches into those roundabouts is long; traffic will move smoothly with the roundabouts. That alleviates queuing at traditional intersections. There's even one at the end of the freeway off-ramp.

Mike O.:

There's no question that we're taking one of the most dilapidated places and making it one of the most vibrant. Keep in mind: We have a decided advantage here because we're not coming in with a horse pasture. This has been a commercial zone. We're just wanting to construct the same use that has been there. We're not changing an agricultural area into a high traffic area.

City Council Member Joyce Brown:

What's to keep you from putting in two Big Boxes? (In CP-2, Big Boxes are conditional use).

Mike O.:

No matter what happens, the council has the discretion to finalize the decision.

Renny Knowlton:

We need to make sure this project includes development agreements.

Meeting adjourned.

(Notes taken by D. Louise Brown at the meeting.)

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The Parcel is currently CP-2 zone. It allows large parking and stores. Mixed Use zone is more sensitive to parking. CP-2 doesn't allow residential. MU allows (requires?) residential development, which can be above or adjoining retail.

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**Developer's Representative's Presentation:**

Mike Ostermiller (Developer's Attorney)

We've had lots of meetings, with staff, Mayor, Council, Planning Commission.

Dan VanZeben.: (Architect).

In all meetings tried hard to encapsulate the vision and goals of the city council and staff. Also worked hard to come up with a project that will become a hallmark. We want this to be the best development in the city, one that is compatible with and also enhances the surrounding area. The positive impacts will transcend what is there. **It must also be financially and logistically feasible.** As we share this (drawings) we want to make it absolutely clear that the landowners have said *"We have an open mind here. This is what we hope to accomplish. But we are still at the table, still in the 'working together' part."*

Mike O.:

You spend lots of time working on something like this and then the tenants say, "I hate it." So we've been 'shopping' this. We still have to go out and find tenants, so we may be back.

We've put extra features into this, to make it more of a gathering place. But remember these things are cost prohibitive. We know there's RDA funding for this area. We're happy to put these kinds of things in as long as we have money for them."

Dan V.: (Showed a number of iterations that led to the project on the table).

"We want you to note that there's minimum density of the development along Fort Lane to soften the area across the street from the residential area. The access has to be in the development."

\*Restaurants like the freeway exposure.

\*This development creates freeway view corridors.

\*The Big Box positioning: The freeway ramp is 28' high. Because of the necessity of making this economically viable, we've placed the Big Box in this area where it will be blocked by the height of the freeway ramps so it won't be like a Big Box view from the freeway, like Bountiful.

\*The area is connected to Wasatch Drive. It will have similar developmental elements as those found here at the City Center.

\*Walkways will be stained concrete or pavers, to mitigate pedestrians crossing traffic.

\*In a 4-seasons area, we need to minimize passengers versus vehicles. Roundabouts create a more people-friendly street.

\*Also will bring historical architectural renovations like the store fronts on Main Street (ex. Banks) to the store fronts on Gentile on the interior side.

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## Too Many Malls, Too Few Tenants

Retailers at Open-Air Shopping Venues

Cancel Expansion Plans, Shut Stores

As Slow Economy Hurts Sales

By KRIS HUDSON

July 17, 2008; Page B1

The hottest trend this decade in shopping-center development has gone cold.

Known as lifestyle centers, the open-air shopping venues offer small parks, fountains and cafés amid name-brand retailers selling fashion apparel, housewares and other discretionary fare. Developers raced to add new ones as they became popular with shoppers, especially women between 20 and 50 years old, a coveted category. Meantime, construction of traditional enclosed malls all but stopped.



A Cedar Hill, Texas, lifestyle center is only half occupied. The storefront in back remains vacant.

But now, with the economy slumping and shoppers spending less, retailers that had flocked to the centers -- like Chico's FAS Inc., [Ann Taylor Stores Corp.](#) and [Talbots Inc.](#) -- have begun canceling expansion plans and even shutting stores. Others, such as [Linens n Things Inc.](#), have sought bankruptcy protection.

This couldn't happen at a worse time for lifestyle-center developers, which were putting up more of the shopping centers than ever. Last year they built 37 centers totaling some 12 million square feet, or roughly 40% of the total lifestyle-center square footage added this decade, according to market-research firm

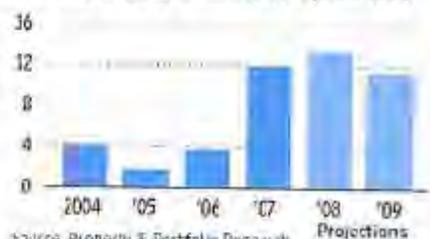
Portfolio & Property Research Inc. Double the 2007 total is now under construction, and three times as much is in the planning stages.

The economic slowdown, of course, means many of the planned projects won't leave the drawing board. But many centers where construction has begun will probably have difficulty leasing space when they open. That raises the specter that eventually they may not be able to pay their debt, adding to the strain on the already ravaged finance sector.

Leasing problems have clearly begun. Developer M.G. Herring Group opened its Uptown Village regional lifestyle center in the Dallas suburb of Cedar Hill in March with only half of the space occupied and the rest walled off with wood panels bearing the center's marketing images. President Gar Herring says he has so far signed retailers for 50% to 70% of the 725,000-square-foot project, though it remains only half occupied five months after its opening.

### Wide Open Spaces

Lifestyle centers built each year in 54 top U.S. markets, in millions of square feet





Kris Hudson/WSJ

The small-shop space at Prairie Center shopping center in Brighton, Colo., is mostly empty

In Brighton, Colo., THF Realty Inc. has filled most of its new Prairie Center retail project with such big-box retailers as [Dick's Sporting Goods Inc.](#) and [PetSmart Inc.](#) But Prairie Center's small-shop space -- erected in a lifestyle-center format nearby -- is mostly empty. Half-a-dozen tenants, including Heidi's Deli, Verizon Wireless and Elite Nails, are sprinkled among vacant storefronts sporting "for lease" signs.

Herring and THF executives say they anticipate no difficulties paying their debt service on the projects.

Some believe that the lifestyle-center craze was about to run its course in any case. The metropolitan locations that are best suited to the centers are mostly taken. "There were a number of projects proposed in markets that didn't really have the [sales] demand to support the projects," says Stephen Lebovitz, president of mall owner CBL & Associates Properties Inc., which has built two open-air centers.

Certainly the centers being built now show an evolution in the approach to the centers. Recent versions have larger formats and more diverse tenant rosters, including department stores and movie theaters. Few developers now propose the original format, which offers only small shops and spans 200,000 square feet or less. "Those are dead," says Maury Levin, a retail-property broker at commercial real-estate firm KLN B Inc. in Baltimore.

Construction of other retail-property formats is also slowing as consumer spending wanes. Portfolio & Property Research forecasts that in 2009, retail-space construction in the top 54 U.S. markets will drop 48%, to 71 million square feet, from this year. Existing properties are hurting, too. Vacancy rates at U.S. malls and shopping centers have climbed to 7.4% this year, the highest level this decade, according to market research firm Reis Inc.

Many developers that have the option are canceling or scaling back projects. Citing slow progress in leasing, Opus Corp. opted to proceed in phases at a lifestyle center in the Seattle suburb of Issaquah, Wash., scheduling the opening of 150,000 square feet of shops in 2010. It had planned to open three times as much space in 2009.

In Canonsburg, Pa., developer Cullinan Properties Ltd. has delayed by a year, to 2010, the opening of 200,000 square feet of small shops intended to accompany a 14-screen movie theater as it struggles to lease the space.

What's tripping up many developers is the tendency of lifestyle-center tenants to travel in packs. The centers often don't have big anchor stores, so many retailers insist that several complementary stores agree to open in a given center before they will do so. "You may have 10 tenants you want to get, but eight are waiting until the fall to make a decision and the other two are waiting on those eight," says Frank Natanek, Cullinan's group president of real estate and marketing.

Poag & McEwen Lifestyle Centers LLC, which has developed 10 lifestyle centers, recently scrapped plans for one in Boise, Idaho, after five retailers reneged on signing leases there and then several more did the same. The Memphis, Tenn.-based developer proceeded with construction of a lifestyle center in Plainfield, Ill., only after tenants there waived the

requirement that certain fellow retailers such as Chico's join the project. Chico's has pared its expansion markedly to 45 new stores this year from 118 last year.

Despite these stresses, most new lifestyle centers aren't in danger of immediate foreclosure. Developers and lenders typically structure construction loans to carry fledgling projects through lease-up periods, and they're hoping that the economy will rebound by the time those reserves are depleted.

"You're not really going to see these projects get turned over to the lenders until later this year at the earliest," says Ben Yang, an analyst with Green Street Advisors.

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The Wall Street Journal

# Downtown Plan Area

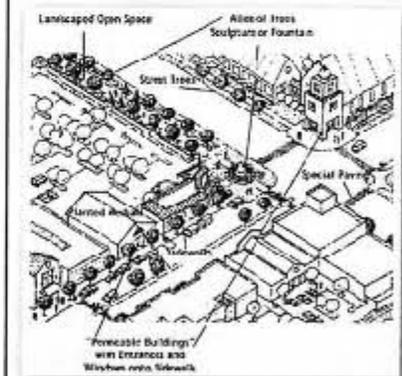
## Fort Lane Village Area

*Contemporary gathering place with a mix of commercial, office, and multi-family residential.*



### *Pedestrian-Friendly Design:*

- Retail/Office and a variety of housing providing opportunities for residents to walk to shops, services, parks and open space.
- Provides a variety of commercial uses in a close compact area.
- Residential uses are permitted on the second and third floors with businesses on the ground floor.
- Vehicular traffic maybe served by on-street parking rather than focused on large parking lots.
- Pedestrian traffic is taken into account in the shopping configuration.
- Focal points and gateways can provide public spaces that provide neighborhood amenities and enhance the district identity.
- Cultivates a greater sense of community through every day



***An area that includes community and neighborhood-type uses that:***

- Allows different but complimentary uses to be mixed in very close “horizontal” proximity (office next to multi-family or restaurants) or “vertically” within the same building (residential or office above commercial shops); and
- Has a goal of creating a pedestrian-oriented community by allowing people to “live, work and play” in the same relative area without total reliance on the automobile; and
- Provides a neighborhood/community focal point within walking distance of single family neighborhoods, schools, parks, and multi-family residential areas.

### FORT LANE VILLAGE AREA CHARACTERISTICS

The Fort Lane Village area development plans should include the creation of a new retail center at the corner of Fort Lane and Gentile Streets. Plans should include bringing buildings to the street, creating smaller scale parking areas and focusing the development onto an amenity, such as a manmade creek or water feature. A new street could provide access through the area and link the Layton City civic district and High School on the north end to the new highway off-ramp on the south end. Density Residential.

The purpose of the Mixed Use (MU) Zone in this area is to provide locations for developments that combine commercial, retail and multiple-family residential uses. By allowing a mix of uses, non-residential development can create jobs, shopping and entertainment opportunities for residents while residential development can generate 24-hour vitality in support of the non-residential uses.



### ENVISION UTAH TOD GUIDELINES



The Downtown Study Area is divided into three areas by the rail line that separates the residential and agricultural areas west of the rail line from the downtown area, and I-15, which separates downtown from the Fort Lane Shopping Center. All three areas have limited freeway access to and from I-15, and east/west circulation is confined to Gentile Street on the north. Kay's Creek winds through all three areas running northeast to southwest.

Envision Utah held a workshop in 2002 where almost 100 participants reviewed development options for the

Downtown Study Area. The Illustrative Plan, as outlined below, took into account a proposed new east/west road to connect the Fort Lane Shopping Center to Main Street and west to the proposed station and new growth areas. Trails along Kay's Creek would provide additional means of pedestrian circulation through the study area, connecting to a future trail system across the city. These new circulation routes will open this area to greater development opportunities. Workshop participants stressed the need to develop design guidelines that would benefit and sustain historic downtown Layton and local residential neighborhoods, balance growth and preservation needs and develop distinct neighborhoods based on smart growth ideals.

Pedestrian connections between uses and through parking areas throughout the study area will be an important part of design review and approval. The typical suburban strip-commercial development pattern will no longer be appropriate for this area to succeed.

TOWN CENTER / MIXED-USE CENTER EXAMPLES



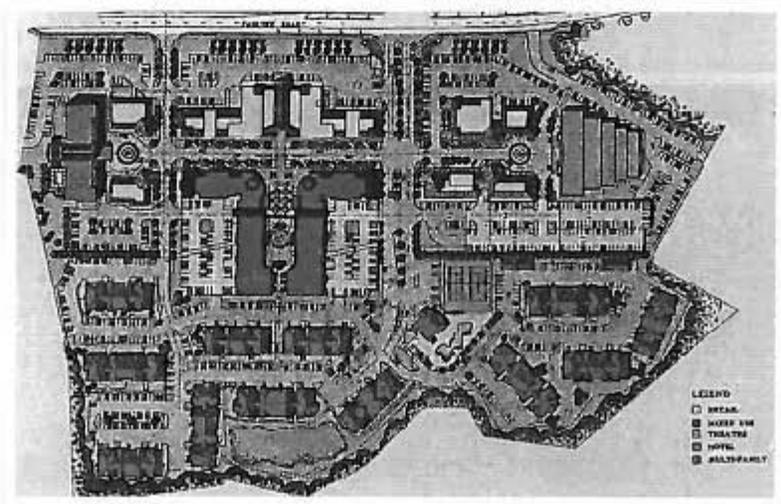
THEATERS AS A "DRAW" TO THE PROJECT AREA



MIXED USE PROJECTS



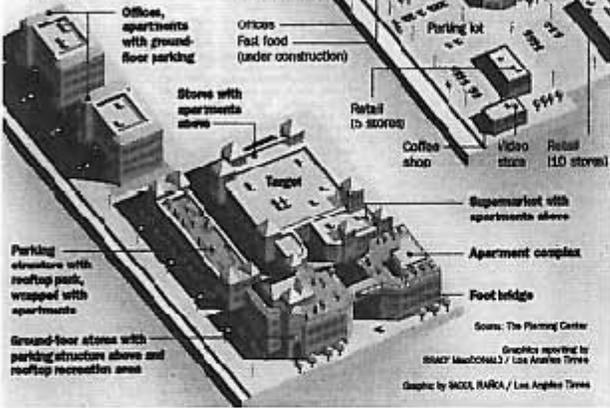
OTHER MIXED-USE &  
RETAIL EXAMPLES



### Creating a Village

A case study by a team of planners would turn parking lots and other poorly used space at strip malls into community centers that would include apartments, shops and offices. The consultants say about 700 Orange County strip malls would be retrofitted this way.

#### COMMUNITY CENTER CONCEPT



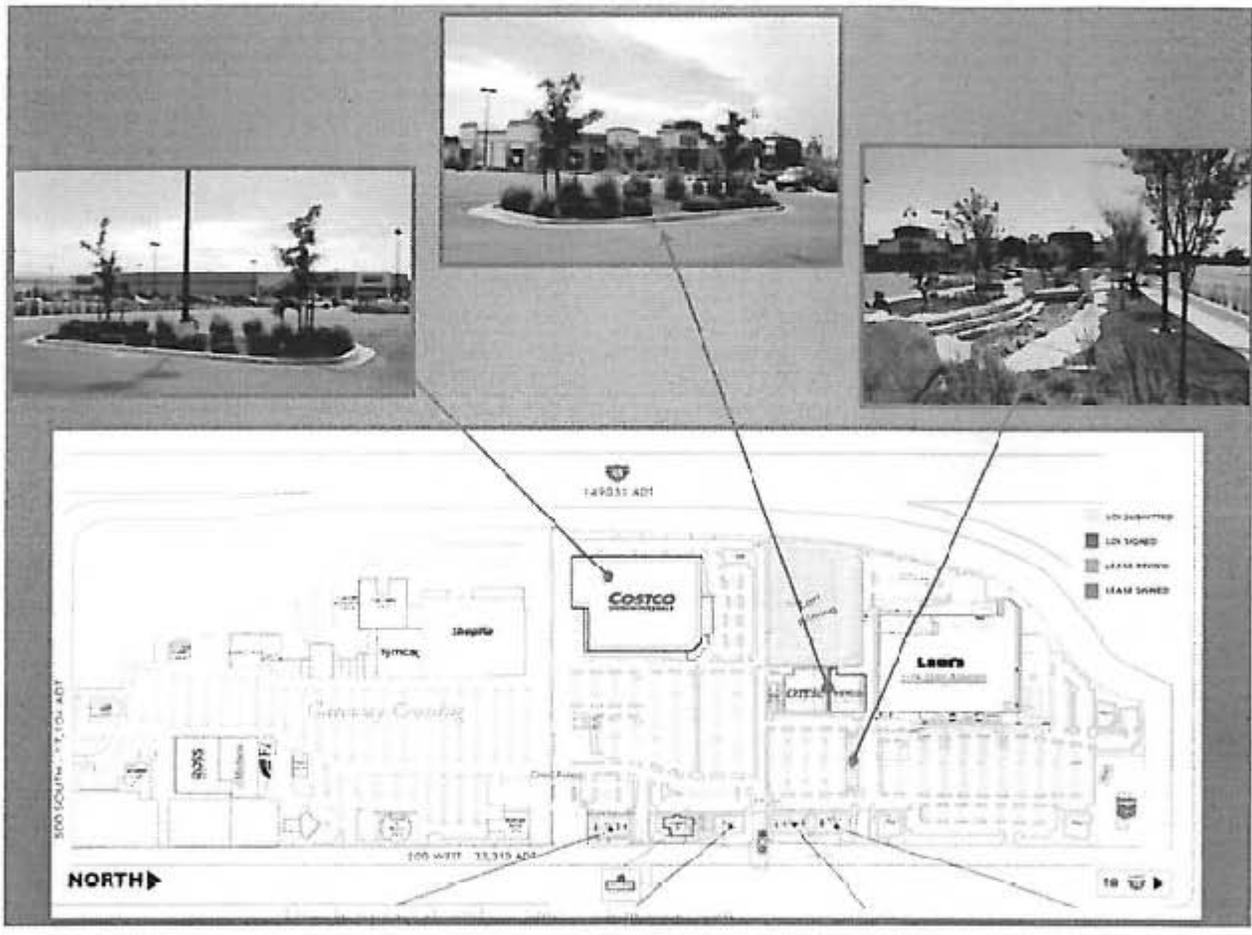
NewUrbanObserver.com





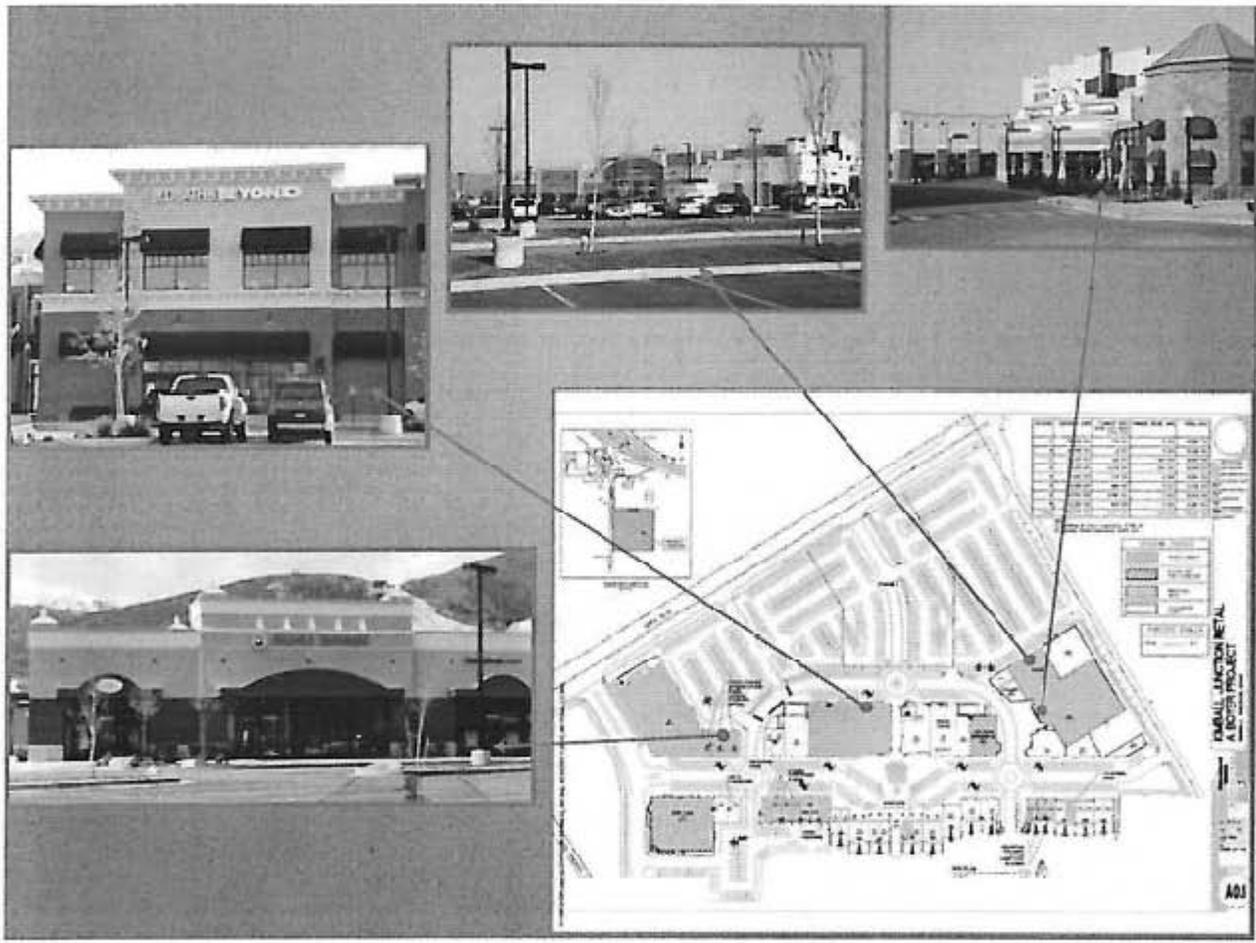
GATEWAY CROSSING

West Bountiful, Utah



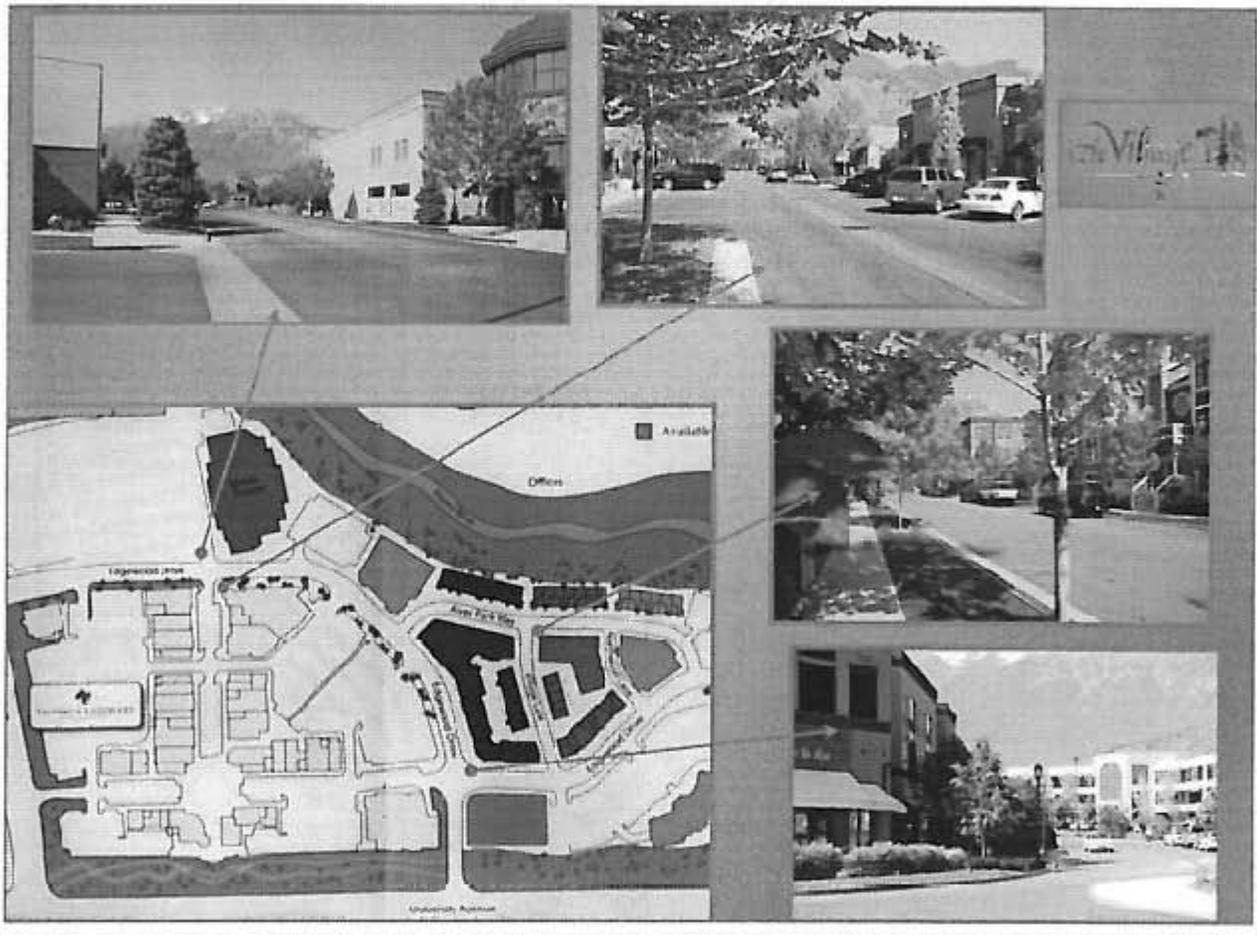
REDSTONE

Kimball Junction (Park City), Utah



THE VILLAGE @ RIVERWOODS

Provo, Utah



**THE COMMONS @  
SUGARHOUSE**

Salt Lake City, Utah

