

OFFICE MEMORANDUM

TO: Sheldon Smith,
Coalville City Attorney

FROM: Wade R. Budge
AJ Pepper

DATE: March 12, 2020

RE: Nightly Rentals as Support Facilities Customarily Associated with Golf Courses

This memorandum is in response to concerns expressed regarding Wohali Partner LLC’s (“**Wohali**”) pending application, specifically with respect to the open space and recreational facility provisions. The AG Zone includes “Recreation facilities or uses” as a Permitted Use. The definition of “Recreation, Facilities” explicitly allows for golf courses. The definition of “Recreation, Facilities” also allows for “support facilities customarily associated with the recreational facility.”

In short, Wohali’s application is pursuing permitted uses, both the golf course and supporting uses customarily associated with a golf course of renowned caliber. In fact, the proposed golf-course will be a world-class facility comparable to courses designed by famed golf-course architects. As such, the proposed golf course itself will provide a destination for golf-enthusiasts, and supporting facilities will be needed to accommodate recreation visitors.

Additionally, adequate maintenance and care of the proposed golf course and recreational amenities will require a “critical mass” of fee-paying club members, and a failure to obtain this critical mass will result in Wohali being unable to utilize its property for the permitted uses of recreational facilities and a golf course. To address this crucial need and accommodate golf-enthusiasts, recreational visitors and additional club members, Wohali’s application anticipates providing nightly rental lodges (also known colloquially as casitas) which will be support facilities for the golf course.

This approach of providing memberships to support the golf course and recreational amenities is consistent with other comparable golf courses and recreational destinations of this type. Below are a number of market examples in Utah which follow the same critical mass membership strategy as contemplated in Wohali’s pending application.

Golf Community	Project Acreage	Total Units + Nightly Rentals	Total Courses	Total Golf Memberships
Tuhaye	1,250	900	1	900
Victory Ranch	6,700	639	1	500
Promontory	6,384	1,901	2	790
Red Ledges	2,000	1,210	1	450
Average	4083.5	1162.5	1.25	660
Wohali	1,664	428	1	428

The Coalville City Code (“**Code**”) provides for the proposed nightly rental “lodges” and specifies that they are neither dwellings that require an allocation of density, nor are the lodges to be classified as hotels/motels. In fact, Coalville City has already confirmed this interpretation and approach pursuant to the existing project approvals which were granted on December 9, 2019. This interpretation and approach has been accepted by all stakeholders, and no one, including the petitioners under the current referendum, has challenged the prior interpretation. In other words, this approach is the same as the one that Coalville City has been following since the inception of the Wohali project.

This approach makes sense because the definition of “Hotel/Motel” is “a building containing sleeping rooms” and a “Hotel/Motel Room” is “a unit consisting of one room, without a kitchen” The proposed lodges are not hotel or motel rooms but rather will contain kitchens and will run to facilitate the recreational use. Furthermore, the definition of “Dwelling” specifically excludes lodges. The notion that Transient Room Tax is somehow determinative on this issue is also incorrect, as Transient Room Tax is applicable to nightly rentals irrespective of the use involved (e.g., Airbnb and VRBO renters are required to pay Transient Room Tax as well).

There also seems to be some confusion regarding the AG Zone purposes and the definition of “Open Space” as provided for in the Code. “Open Space” specifically includes three different types of Open Space: Open Space, Agricultural; Open Space, Landscaped; and Open Space, Natural. “Open Space, Landscaped” includes landscaped areas which may include “recreation amenities.” As noted above, Recreation, Facilities specifically includes golf courses. The golf course type of landscaped open space is clearly consistent with the zoning district and expressly listed in the Code. As noted in our application, the golf course is reserved as landscaped open space and the area reserved for the nightly rental lodges is not included in the total acreage of open space, all as consistent with the requirements of the Code.