

Spring City Council Work Meeting – Growth

9-18-24 – No Public Comments

Mayor: I'll just mention as he's trying to get that working. A few months ago, we organized a committee, thinking that might be a good way to bring some kind of consensus on how to proceed on some issues. My guess is based on what I've heard that there hasn't been a lot of consensus. So we're going to see what's presented tonight and look forward to the work of this committee. We do appreciate the time and effort that they put together trying to address these significant issues. And everyone in this room and everyone elsewhere, we are interested in the outcome and for everyone's participation.



Image - City Council Work meeting Sep 18, 2024

Let's start with the roll call I guess first with members of the city council that are here: Randy Strate, Marty McCain, Nancy Allred, Chris Anderson, Courtney Syme, Paul Penrod.

And then let's get a roll call from the members of Planning and Zoning who are present: Kathy Christensen, Gary Parnell, Joe Bennion, Mike Nelsen, Craig Paulsen.

Mayor: Okay thanks. Since this is report of the Growth Committee, we have members of the committee who are present so indicate: Ken Krogue, Cory Seegmiller, Eve Martin, Jane Hawkes, Barry Sessions, Sonja Brown, Rick Dyches, Brill Hernandez,

Mayor: Thanks to all of you. Would anyone like to offer an expression of choice as we get started this evening?

Tennessee: What about a Pledge of Allegiance?

Mayor: Right there okay we got someone. Well, she can decide. Oh we didn't put down the Pledge of Allegiance, we'll put that option.

Theresa Cummings: Our kind and gracious Father in Heaven. We come together as members of this city in an effort to come to some understanding of issues and difficulties that we have found and that have arisen.

And we pray Father for the ability to see truth and light and be discerning. We pray for this committee who have tried to bring facts to our attention for the ability to make good choices. We pray for our city council. They are striving to do what is needful for the city we pray for our Planning and Zoning, that they too will be guided. We pray for ourselves as a citizenry that Unity can Prevail that we might do that which is good and right and best for the growth of this town.

For growth is inevitable and we desire to keep a good and beautiful place as it already is. We are grateful to live in this land we are grateful to live in this town. Help us to do all that is needful to keep it that way. And to be responsible with that which we've been blessed with this we pray in the name of Jesus Christ Amen.

Mayor: Why don't we go ahead and do the Pledge of Allegiance.

All: I pledge allegiance to the United States America, and to the republic for it stands. One nation under God, indivisible, with liberty and justice for all.

Mayor: Great thank you. So just as a reminder. This is a work meeting. It's not a regular business of city council so we won't conduct any business we or won't take any actions. Our business will be hearing the report from the Growth Committee. And as Ken Krogue, is the Chair of that committee and I think Cory Seegmiller has been designated as kind of a co-chair, that they would be the ones making the presentation.

We don't have a public comment section on work meetings. If the council members or a planning zoning member has a specific question for someone, and you invite someone to say something, you will be welcome to respond to that. But other than that it's the committee's report and it's up to Ken as to how the committee's going to present that and make that presentation. So Ken, we will turn it over to you.

Ken Krogue: okay thank you.



Image - Ken Krogue, Chair of Planned Growth Committee

Well, it's been four adventuresome months. We've been working almost every Tuesday. We took a week off for the 4th[of July] and the 24th[of July] but other than that we've been upstairs pounding through this.



Cover Slide

I want to just sort of jump right in. I remember in the first week of June when the motion was made to pull this committee together and Paul [Penrod] asked that it be 6 months, Randy [Strate] said three months, and Marty [McCain] said there's no way you'll get it done in three months better give him another month to get things organized. He was right.

It took us about a month to come together just to get the committee starting to roll. And I want to walk you through what the committee has been about.

Committee Information

Committee Leadership:
Ken Krogue-Chairman
Cory Seegmiller, J.D.-Vice Chair

Committee Members:
Barry Sessions
Brill Hernandez
Eve Martin
Jane Hawkes
Kay Van Buren
Rick Dyches
Sonja Brown
(listed alphabetical by first name)

City Council Liaison:
Randy Strate

Meetings Held:

- June 6,11,18,25 2024
- July 9,16,30 2024
- Aug 6,13,20,27 2024
- Sep 3,5,10

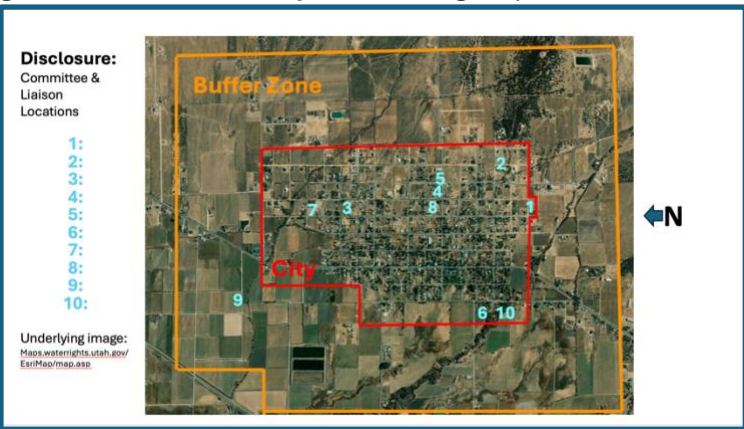
Meetings to be Held:

- Sep 18th – City Council Work Mtg Presentation
- Oct 3rd – City Council – Official presentation to public

Slide 2 - Committee Information

The members of the committee are right here [center of slide 2]. The meetings again are mentioned right there [right of slide 2.] Tonight is September 18th. We've got one more meeting where we'll make this presentation again, I understand. This one is just to the Council. The City Council and the Mayor. But all of you are invited to watch and enjoy. But I think we're supposed to do the official presentation, I understood on that next city council meeting.

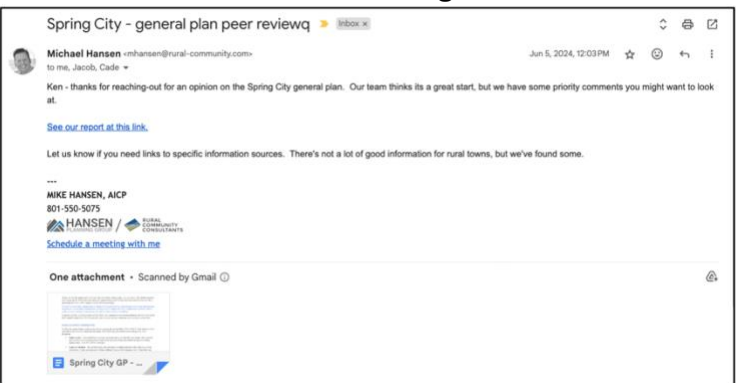
So, I want to just jump right in. The committee are noted here on this slide. One of the first questions we got was, "Is this a fairly balanced group?"



Slide 3 - Locations of Committee Members

And I will say geographically, we cover a big chunk of the city. 10 members are listed there. And Randy Strait was our City Council liaison. He's on this as well. Right out the gate there was a little bit of going back and forth as to what our full purpose was.

The very first thing that we did actually, the very first thing, Craig [Paulsen], you probably remember I came over the next Saturday morning and met with you for about an hour and a half. Craig gave me a big stack of papers of maps and walked me through things. He mentioned **the general plan for the city** which we went and looked at. It was 38 Pages.



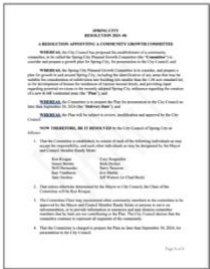
Slide 4 - Ken's email with Mike Hansen of Rural Community Consultants dated 6-5-24

Now I had a pre-existing relationship with a man named Mike Hansen of Rural Community Consultants.

I understand they're a main competitor to Sunrise Engineering. I didn't know they were in the same realm. But we asked him to go ahead and look at our plan that I was given, and he went through that and gave about 20 recommendations. We were thinking okay maybe this is a massive scope here. And I've always learned that when you have a massive scope, when you're trying to boil the ocean, you better relook if you're going to actually get it accomplished.

So we went back into the charter the Mayor gave us.

Committee Charter



“WHEREAS, the Spring City Planned Growth Committee is to consider, and prepare a plan for growth in and around Spring City, including the identification of any areas that may be suitable for consideration of subdivision into building lots smaller than the 1.06 acre standard lot, or for development of homes for residences of various income levels, and providing input regarding potential revisions to the recently adopted Spring City ordinance regarding the creation of a new R-MF residential zone (the “**Plan**”);” (resolution 2024-06)

Slide 5 - Spring City Planned Growth Committee Charter - Resolution 2024-06

And I wanted to refer us to that specifically. This second main paragraph here, I will walk us through that. In fact, I'm going to summarize it down to these five main issues. If you note the very first thing:

“The Spring City plan growth committee is to consider, and prepare a plan for growth in and around Spring City, including the identification of any areas that may be suitable for consideration of subdivision into building lot smaller than 1.06 Acre standard lot, or for the development of homes for residents of various income levels, (that was second) and providing input regarding potential revisions to the recently adopted Spring City ordinance regarding the creation of a new residential multifamily zone.”

To simplify. It was these five main things.

1. Smaller lot sizes
2. Affordable housing
3. Multi-family housing
4. Growth in the city
5. Growth around the city (Buffer zone)

Charter Elements

- 1.Smaller Lot size
- 2.Affordable housing
- 3.Multi-family
- 4.Growth: City
- 5.Growth: Buffer zone

Slide 6 - Charter Elements

We realized if we had a prayer of trying to address that by the end of September, that would be our scope. That took us a little while to get nailed down.

I'm going to be going over these key principles that we took at the beginning:

Key Principles

1. Focus on the Facts
2. Preserve & enhance Historic District
3. Preserve & enhance Property Rights
4. Variable financial modeling with data
5. Citizen equity vs developer profits
6. Transparency & trust are two-way streets
7. Committee pro & con analysis
8. Growth is inevitable, planned growth is ideal

Slide 7 - Key Principles

Number one was to **Focus on the Facts**. We had already realized this was a very emotional series of topics. We were going to try and do that. We found within our own committee it was still emotional and rightly so. The goal was to represent different opinions as well as geographies in the city.

Right out of the gate it was clear we wanted to **Preserve and enhance the Historic District**. That was table stakes. But the main argument that kept coming up was **property rights**. We wanted to look at the balance between what was happening, and what the debates were. And not just property rights of the owner but property rights of neighbors.

And we had that aptly represented I will tell you. Both have to be considered.

The method that I recommended I would bring to the table was what's called **financial modeling**. And

Paul, if you'll remember when you asked me to do it, I said, "I'll do it if I can get the data."

And so that's what we've tried to do is build models where you can actually change the data and see what comes out. That's what's been built. And those will be available going forward. As this went along, we realized it was it was a very important topic around **Citizen Equity versus Developer Profits.**

I will be talking about that a lot. As we interviewed citizens, the recommendation for **Transparency and Trust** were very important. We learned that has to be a **two-way street.**

And we did get the committee to agree on one main thing. There was a consensus around the **Pros and Cons** of these recommendations. We will be sharing those.

And as was mentioned and it's funny because I've been getting calls from other communities saying we're hearing about you guys in Spring City. And I'm like, "whoa" and city councils from other cities have checked in and said we're going through the same thing. **Growth.** And as was mentioned it's **inevitable** but the whole point of even the title of this committee was **Planned Growth.**

We'll see how this shapes up. Our timeline was this.

**Project
Timeline**

- 1.Jun** –Organization & fact gathering
- 2.Jul** – Questions & discussion
- 3.Aug** – Data analysis & formatting
- 4.Sep** – Draft and final presentations

Slide 8 - Project Timeline

We started the first week of June. We said we would end the last of September. I understand that the final thing will be the presentation if that's still needed on October 3rd.

Data Points

General Methods Used

The intent of this data is to provide an objective basis from which to address the immediate challenges of growth that face Spring City.

Maps and Models with changeable variables have been defined to allow data illustration.

The data provided has come from multiple channels and sources. Where possible, the source of the information being presented has been included.

NOTE: Financial benefits to Spring City & citizens were the primary tangible desired outcome, but other intangibles were noted where possible.



Slide 9 - Data Points - General Methods Used

Our general methods that we used was to be objective and address the immediate challenges of growth that face Spring City.

We used both maps and interactive maps as well as models where we could change the variables and I'll be showing you how that works. And they've been defined to allow the illustration of the data that we've received.

It's come from multiple channels and sources. I will be making that available as well as the two tools so that we can use them in the future if we choose to.

The main goal is financial. The tangible thing we tried to focus on was what the financial benefits would be to both Spring City as well as the citizens.

But there were many intangibles that are noted as well. That's the method that we used to jump right in.

**Spring City
Primary Revenue**

Property Tax:	\$101,964
Sales Tax:	\$213,363*
Electric Bills:	\$814,375**
Water Bills:	\$366,134
Sewer Bills:	\$254,790
Fire District:	\$35,610
Road Fund:	\$106,667~
Total	\$1,892,903



Slide 10 - Spring City Primary Revenue

There are kinds of main lines of Revenue listed in the annual budget. These are the big chunks. And we were originally going to go through all of them, but if you'll notice the asterisk on the second one there that says **sales tax.** We tried and tried to get any visibility

into the data and that has currently not been made available. [we don't keep much of the Fire District\$]

We worked with Dave Oxman at Mt. Pleasant. He says the same thing about Sales Tax, you get one lump sum: here's the money. For us to do analysis we'd have to get in and say where's all of our sales tax coming from? We were not able to receive that.

Electric bills: There was some serious work that happened right up to and even before this that's not really the scope of our of our discussion today. And then notice the variable symbol (~) on **road fund** that's a bit of an estimate because it varies. And what we did is we took the average of the last three years. And they just paved the road and that shows that it's not quite an exact number. So just under 2 million bucks.

We then went and we looked where does Spring City fit in for population, growth, density, and area?

City Population, Growth, Density, Area				
City	2024 Population	Annual Growth	Density / mile ²	Area miles ²
Ephraim	6,269	2.6%	1,399	4.5
Mt Pleasant	3,939	1.8%	1,346	2.9
Manti	3,711	1.8%	1,152	3.2
Gunnison	3,655	0.9%	763	4.8
Moroni	1,672	1.8%	1,570	1.1
Centerfield	1,444	1.8%	757	1.9
Fountain Green	1,300	1.9%	1,042	1.2
Fairview	1,209	1.9%	1,036	1.3
Spring City	1,027	2.0%	729	1.4
Mayfield	605	1.9%	673	0.9
Wales	369	1.9%	932	0.4
Sterling	276	2.0%	932	0.3
Fayette	265	1.5%	671	0.4

Slide 11 - City Population, Growth, Density, Area

And as you can see, we're definitely not one of the more populated. We're one of the faster growing. But our population density is very low compared to all the other noteworthy larger cities. And what that means is the number of people per square mile.

Spring City Lots, Owners, & Homes	
670 Lots, 455 homes	• 212 Historic Buildings
Avg person/home: 2.26	• 243 Non-Historic Homes
• 206 Lot owners w non-Spring City Address (31%)	• 196 Vacant Lots
• 488 Total Owners	• 40 Green-Belt Vacant Lots
• 111 Owners >1 Lot	
• 34 Owners >2 Lots	

Slide 12 - Spring City Lots, Owners, & Homes

That was interesting. This is where we started slicing and dicing into the data. And it took us a few weeks just to get to this point. What we did is we made a GRAMA (Government Records and Management Act) request with the county and we got every single property tax record for all lots in the city.

Then we aligned it with the historic properties. We've aligned it with also all of the utilities. We had a database that then could show all kinds of interesting things. Right out of the gate we found:

There's 670 Lots and 455 homes.

Now that does not account for structures like governmental and religious structures.

The average persons per home living in our city is 2.26

Which is a lot less than the county, which is 3.1.

We were wondering, "Why is that?" And there's an interesting phenomenon here because of the historic district. There's a lot of what I call "dormant homes" or second homes that are sort of showcases that might have utilities hooked up but not a lot going on. And not a lot of people living there, if any. Some own two or three or more homes. In fact, right here:

There are 111 owners that own more than one lot,

and 34 that own more than two in our city.

And 31% of our lot owners have their property mailing addresses outside of our city.

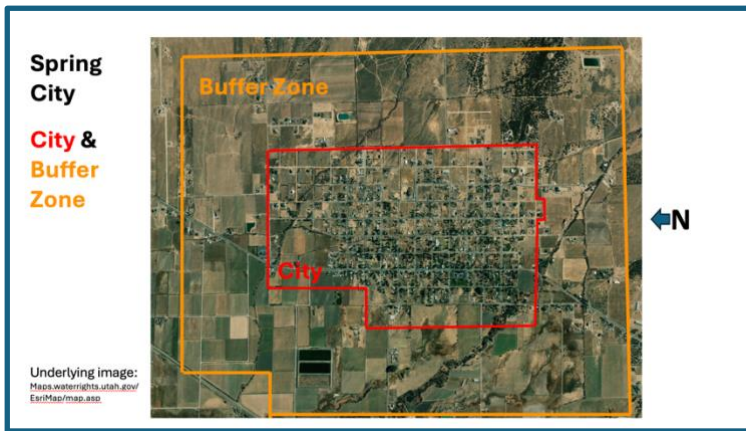
Now that doesn't necessarily mean they don't live in the city, but they might have a trust fund that's listed in Salt Lake or something.

But notice 212 historic buildings,

243 non-historic homes.

I say buildings versus homes because there's some that are in the registry as a building on a lot, but there might also be a home as well. So and then,

Vacant Lots 196. And 40 of those vacant lots are green belt. We'll talk about that also.



Slide 13 - Spring City - City and Buffer Zone

This is roughly what it looks like with the buffer zone around the city and the city boundaries itself.

Now these are the key principles I've mentioned, we're going to hit them pretty hard before each new main topic.

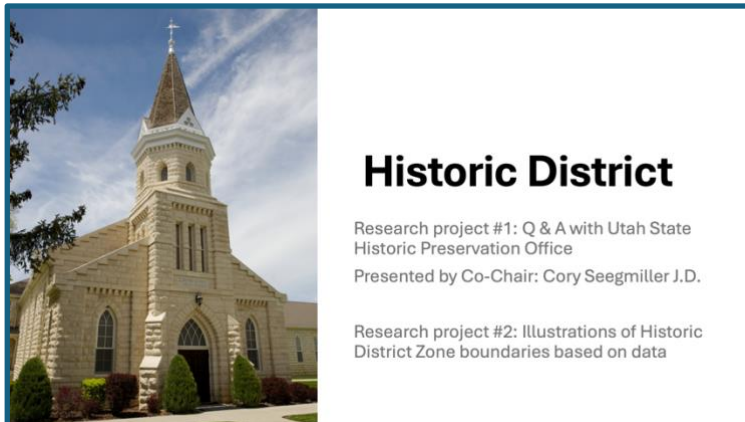
Key Principles

1. Focus on the Facts
2. **Preserve & enhance Historic District**
3. Preserve & enhance Property Rights
4. Variable financial modeling with data
5. Citizen equity vs developer profits
6. Transparency & trust are two-way streets
7. Committee pro & con analysis
8. Growth is inevitable, planned growth is ideal

Slide 14 - Principle 2: Preserve & enhance Historic District

Our main goal initially was to preserve and enhance the historic district.

I want to turn the time to our co-chair Cory who right out of the gate, this was the second week of our meeting, he decided to go do some research directly to the state registry. I'll turn the time over to Cory.



Slide 15 - Historic District Section with 2 Research Projects done by the Committee

Cory Seegmiller: My name is Cory Seegmiller for those of you who don't know me. I'm not feeling very well today so I feel like this is important enough for me to kind of drag myself here, so I apologize for my voice if it's hard to hear and if I do a little bit of sniffing. So, for those of you who don't know me I live off Fourth South and Sixth East. I've got one wife, seven kids, we have two cats, and two rabbits.



Image - Cory Seegmiller J.D., Co-Chair - Presenting Historic District slides at Spring City Council Work meeting - 9-8-24

And so, we have a very active life with that many people in our house. But we built our house and moved in December of last year. We're very new to Spring City. We represent some of the new growth that's occurring here. Folks just moving in. We absolutely love this city. It is just a fantastic place and we've been very warmly welcomed here, and we very much appreciate that.

I was very curious when I got appointed to this committee about how the historic district was put together. I'm a corporate attorney. I like to read things, I like to understand things, and how they're put together. And the historic district was fascinating because it's such a feature of Spring City. And it's just this thing that creates vibrancy for the city. And I wanted to understand how in the world that thing was put together and so I asked for the assignment to be able to dig into that a little bit and understand it. Having no background or no understanding of really what it was other than there's some nice signs coming into town that talk about it.

I thought this would be a good opportunity to kind of dig in and get a chance to see how that's put together.

What I did is I reached out to the state historic preservation office to be able to get a sense of what the historic district is, how I could get information about it. And so first off, I asked a couple of questions related to very ignorant questions I have to ask naive ones I had no idea what I was digging into right.

Historic District

Research Project #1

Letters to & from Cory Jensen

Findings:
2 letters from Cory Jensen dated June 12 & 13th, 2024



Cory Jensen
National Register & Survey Coordinator
Utah State Historic Preservation Office
coryjensen@utah.gov
http://web.utah.gov/shpo

Currently, I am working 100% remotely. Email is the best way to reach me.

Questions asked-Round 1:

1. Is the national historic register status still active for Spring City? If so, would you be able to direct us to a place where that is documented?
2. What year was the national historic register designation effective for Spring City?
3. What were the requirements that needed to be met in order to place a portion of the city in the national historic register?
4. Is there anything in particular that Spring City needs to do/not do to maintain its historic register status (assuming it is still active)?

Slide 16 - Summary of questions asked by the Committee to Cory Jensen, Coordinator of the Utah State Historic Preservation Office

I asked for the first question, “Is the National Historic register still active for Spring City? If so, can you help me find a place where I can find some documentation related to it?

I had no idea how this thing was put together and so I asked a very dumb question to start but I thought that was a good place to start at least for my understanding.

Then what year was the historic district effective?

What were the requirements that need to be met to place a portion of the city in the National Historic register?

And is there anything that Spring City needs to do or not do to maintain its historic register status assuming that is still active?

I had no idea. And you can see these are naive questions around the historic district and how it was put together. And it took me a while to get to Cory Jensen, because I kind of was banging around at the state level trying to understand this thing.

But finally, I was able to email these questions over to him and then this was his response.

And it's very small.

So, what I've done is I've taken his responses and put them on the next slide.

I just wanted to show you this interaction there.

Historic District: Q & A

Re: Spring City National Historic Registry Info



Cory Jensen coryjensen@utah.gov
to me: Christopher

THU, JUN 12, 2:42PM

Hi Chris,

To answer your questions:

1. Yes, the Spring City National Register Historic District is still active. In fact the original nomination, which was listed in 1980 was amended two years ago to update the period of significance and the status of buildings that have become of the historic period since the original listing, as well as note those that have since been demolished or lost their historic integrity.
2. The recent updated nomination was officially listed 10/19/2022
3. Like any other historic district, there are three basic criteria: 1) The properties must be at least 50 years old 2) they must retain good historic integrity and 3) the district must be significant for its architecture or history (or in this case, both)
4. To maintain the National Register listing status is fairly easy--the district just must maintain the characteristics for which it was found to be significant. So, as long as the majority of properties retain their historic integrity (meaning no major alterations to the buildings and demolitions are kept to a minimum, then you should be okay.

I suggest getting in touch with Craig Pacione, as he was the most instrumental in writing to update the old nomination.

And here is a link to the most recent National Register nomination form from 2022: <https://collections.utah.gov/shpo/82779402.html>

If you have any other questions, just let me know.



Cory Jensen
National Register & Survey Coordinator
Utah State Historic Preservation Office
coryjensen@utah.gov
http://web.utah.gov/shpo

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Slide 17 - Actual screenshot of the email sent to Cory Jensen - Coordinator of the Historic Preservation Office on June 13, 2024

So, he responded that:

Historic District: Answers

1. Yes, the Spring City National Register Historic District is still active. In fact the original nomination, which was listed in 1980 was amended two years ago to update the period of significance and the status of buildings that have become of the historic period since the original listing, as well as note those that have since been demolished or lost their historic integrity.
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4. To maintain the National Register listing status is fairly easy--the district just must maintain the characteristics for which it was found to be significant. So, as long as the majority of properties retain their historic integrity (meaning no major alterations to the buildings) and demolitions are kept to a minimum, then you should be okay.

Slide 18 - Summary of answers to first set of questions asked to the Utah Preservation Office

Yes, the Spring City National Historic District is active. And it had been renewed in 2022.

And I was like oh that's fascinating I had no idea, so I was like oh obviously that was a dumb question for me to ask then right.

He said it was started in 1980 and then it was renewed in 2022. So, and ostensibly the reason for doing that was so that we could add additional buildings that would fit into the historic status because the historic status is anything that's older than 50 years old.

If I understand that correctly so it was incorporating additional buildings that could be brought in and just reestablishing the fact that yes, we have a lot of historic buildings and homes in Spring City and that district is an important part of this town okay.

So then in answer number three so that kind of covers one and two right. Let's see like any other historic district there are three basic criteria properties need

to be at least 50 years old they must retain good historic integrity, and the district must be significant for its architecture history.

And those are the requirements for historic district. I thought that was interesting information and then question number four. The answer to that one to maintain the national register listing status is easy.

The district just must maintain the characteristics for which it was found to be significant so I thought that was an interesting answer because I was like okay so how does this thing come together and how does it stay together how do we maintain the Integrity of the historic district.

I decided I was going to follow up with a few more questions. So, this was round one.

And these are my round two questions.

Historic District

Research Project #1

Letters to & from Cory Jensen

Findings:

2 letters from Cory Jensen dated June 12 & 13th, 2024

Cory Jensen

National Register & Survey Coordinator

Utah State Historic Preservation Office

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Questions asked-Round 2:

1. We still have a fairly large number of empty lots in the city. If those lots were developed, and that development pushed the percentage of historic homes below 50% of the total buildings in town, how would that impact the historic district designation?
2. How often does the national historic register status have to be re-evaluated? Is that just time based, or are there other factors involved in that?

Slides 19 - Questions asked to Historic Office - Round 2

I asked, "We still have a fairly large number of empty lots in the city. If those were developed and that did that development push the percentage of historic homes below 50% of the total buildings in town, how would that impact the historic district designation?"

And this was after he sent me some other information that I was looking at, documentation related to the historic district, and trying to get a better sense of how this thing was put together.

And I noticed that as part of the renewal in 2022, the paperwork related to that indicated what the what the percentage of new construction to old buildings were historic buildings.

I thought okay that's probably significant and let me ask some more questions around that. And then I was

just I was like how do we even get to a historic district scenario in the first place? And then what are some of the constraints or the scope around it for renewal? And how does that all work?

So I asked the question how often does the National Historic District historic register status have to be re-evaluated? And I mean I had no clue.

Historic District: Q & A

Forwarded message

From: Cory Jensen <coryjensen@utah.gov>

Date: Thu, Jun 13, 2024 at 4:25 PM

Subject: Re: Spring City National Historic Registry Info

To: Cory Seegmiller <cory.seeg13@gmail.com>

There is no established time period that needs to pass for a district nomination to be amended. The original Spring City district was listed in 1980 and wasn't updated until 2022, so that's 42 years! We would like to see updates about every decade, but that typically isn't feasible because of costs involved in doing the reconnaissance level survey/building inventory and then writing the nomination.

Also, our office does not monitor (nor does anyone else for that matter) National Register properties and historic districts. So, I wouldn't worry about development of new properties. That's just a part of life. If the City is concerned about the district losing historic integrity, that's really the only way to control growth. They would need to establish ordinances regarding development and how that is managed.

Cory Jensen

National Register & Survey Coordinator

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Slide 20- Actual Screenshot of email response to Questions asked-Round 2

So, it's I thought the answers to these questions were probably the most interesting. And he answered this one just kind of as a long narrative. So, he didn't like to pick up question one and question two but essentially what the answer is:

Historic District: Answers to Round 2 Questions

Answer: There is no established time period that needs to pass for a district nomination to be amended. The original Spring City district was listed in 1980 and wasn't updated until 2022, so that's 42 years! We would like to see updates about every decade, but that typically isn't feasible because of costs involved in doing the reconnaissance level survey/building inventory and then writing the nomination.

Also, our office does not monitor (nor does anyone else for that matter) National Register properties and historic districts. So, I wouldn't worry about development of new properties. That's just a part of life. If the City is concerned about the district losing historic integrity, that's really the only way to control growth. They would need to establish ordinances regarding development and how that is managed.

Slide 21 - Summary of answers to second set of questions asked to the Utah Preservation Office

There's no period that the historic district runs for. There's nothing in statute or law anywhere that would require the historic district to be renewed at any period.

The original historic district was put in place in 1980, and it was renewed in 2022 because the City Historic preservation Society decided that it was time to do that. And the I guess the resources were rallied to be able to accomplish that and the renewal document is

massive. It's just enormous. It took me like 10 minutes to download it and it's just full of all kinds of fascinating history about the town.

If any of you have seen that document it is quite the wonder to behold and I would encourage anyone if you can get a hold of a copy of that just to dig through it a little bit. It is fascinating.

But I think the most important part about this was the fact that there's nothing driving renewal or requiring updates to the historic district.

It exists as a robust structure related to the town if we want it to exist. So, there's nothing that's going to require that to change. And basically, if you look at the way that the rest of his answer works out, he said the only thing that we could really do to negatively impact the current historic district status is to start knocking old buildings down, which we're not going to do.

So, the question that I was really digging for I was I was asking some open questions around what do we do to harm the historic district? And really what his response was is, "You don't. There's not much you can do again unless you're knocking buildings down."

And I was I was asking open-end questions because I really wanted him to give me whatever information was available there like, "Does lot size matter? Does population density matter? Does the ratio of new construction to historic buildings matter? How much do these, how much do these things matter?"

And the answer that they came back with is, "Growth is just a natural part of any city and you're not you're basically not going to hurt the historic district through growth."

And in another 50 years, 48 years if the city wants to go back and look at the historic district again and re-analyze it, and renew it, then that could be done. And it'll be based off the status and the construction of the city at that period of time.

But there's really nothing that we could do right now that's going to change the historic district designation for Spring City, and it'll stand so.

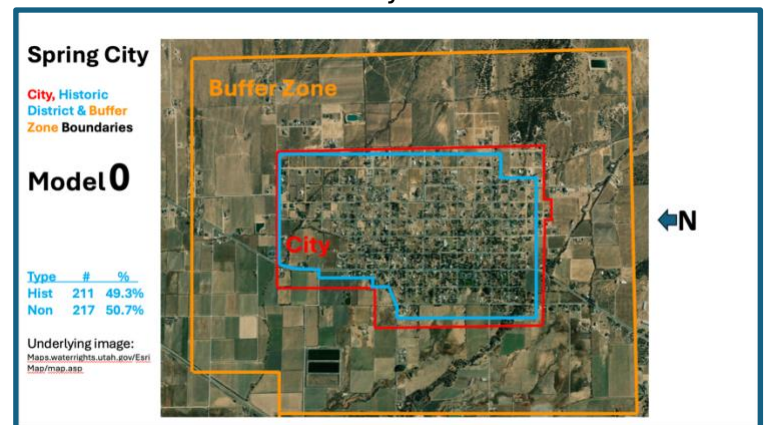
But I think the things that that really brings us to that are important is that because this is a robust

structure because there's not really a lot of requirements related to the maintenance of it, the city is free to adopt a growth plan that meets the needs of the city without really any concern that we're going to harm the historic district designation in any way.

So that's the information that I found, and I was surprised by a lot of this. I'm not super keen on a lot of unregulated growth in town when it comes right down to it. I really, we moved to this town for a reason. It's because it's gorgeous. It has so many amazing historic buildings in it.

But at the same time there's a lot of factors that are playing into growth in our area and I think that all these different things need to be considered. But I think when it comes down to it just based on the information that we received back from the state historic preservation office, that damaging the historic district is not something that that is really needs to be a main consideration regarding growth and planning.

26:00 - **Ken Krogue:** That caused a lot of interesting discussion amongst our group because there was a lot of conceptions & misconceptions that we were all just assuming we're foundational. And found out that with from this feedback they were not.



Slide 22 - Spring City, City, Current Historic District, & Buffer Zone Boundaries

We began then looking at boundaries, I had been told by Craig [Paulsen] that the current historic district that's in the blue was roughly the same as the city and it is.

It's roughly the same although there are some notable exceptions you can see the top right, that whole new subdivision east of me is not included.

And the lines are, I'm not included on the south end, so notice what we've done right here. What we went and did is we looked at what is the current percentage of historic homes versus non-historic homes in that existing boundary.

And that was the number you're going to see that we call this **model zero this is like status quo** and then what we started doing is running models because our goal still was to enhance as much as possible the Historic District.

Type	#	%
Hist	211	49.3%
Non	217	50.7%

Table contained in Slide 22 noting Historic Buildings vs Non-Historic Homes

This was interesting, but we had to do a little bit of a different model.

In meeting with Craig, he gave me a map, and he said one thing, “the most richly dense area of the historic district is on both sides of Main Street till about Fourth North and Fourth South.”

Main to 1 st E and 1 st W Lots Historic x Non-Historic x Vacant							
LATERALS	HISTORIC		NON-HISTORIC		VACANT LOTS		TOTAL
	1-	1+	1-	1+	1-	1+	ALL
MAIN TO 100 E	32	13	18	6	12	5	86
MAIN TO 100 W	30	10	10	6	11	6	73
	62	23	28	12	23	11	159

Slide 23 - Main to 1st E and 1st W Lots – Historic x Non-Historic x Vacant

So that was the first thing we had to learn to do in the models. And we soon learned that you had to go from the middle of the road to the middle of the other road. Notice where it says Main to 100 East that's the middle of Main Street to the middle of 100 East so that entire city block is then lumped in with the middle of Main Street to 100 West, the entire city block.



Image - Blown up Satellite of Blocks on both sides of Main Street from 4th North to 4th South

This is not just all of the properties when you drive down Main Street. This is all the properties on those whole blocks that go to the center of the of both Street North East and West.

They're called **a lateral** and that's how everything is measured from like the City boundary to the County boundary. For example, it is in the center of the road.

So that took us a while to understand. Right here you can see the historic properties the 1- is everything less than one acre. The 1+ is everything above. There's only like one property, or a couple of properties between one and 1.06 so we just standardized on 1.

Same with non-historic and then vacant lots right here this is everything on those blocks on either side of Main Street.

Now this is really where the work got significant.

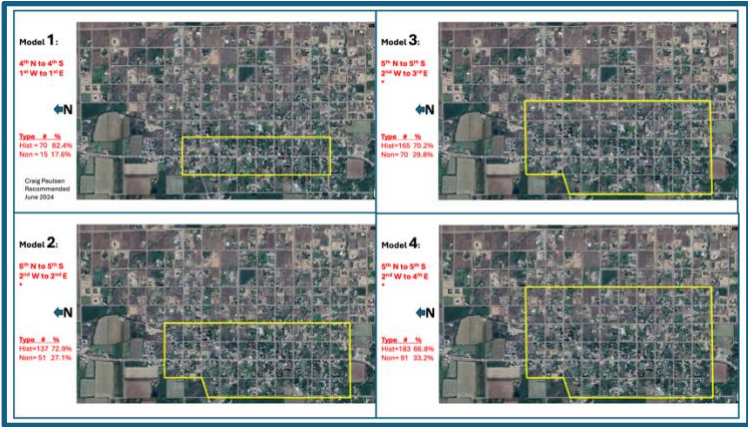
Lot Type Count by Address				
LATERALS	HISTORIC	NON-HISTORIC	VACANT	Total
700 E TO 800 E		8	7	15
600 E TO 700 E		34	20	54
500 E TO 600 E	8	28	27	63
400 E TO 500 E	8	32	19	59
300 E TO 400 E	20	33	14	67
200 E TO 300 E	30	28	14	72
100 E TO 200 E	37	22	15	74
MAIN TO 100 E	45	24	26	95
MAIN TO 100 W	40	16	19	75
100 W TO 200 W	20	13	13	46
200 W TO 300 W	3	7	11	30
	211	244	196	651*

Slide 24 - Lot Type County by Address (street laterals)

And what we started doing is we had to run and normalize the data and drive all these laterals, and what you can see, it gets interesting, this the second and third row up is again Main Street. There's a couple of rows west of it and the rest are all East. And you see the historic, the non-historic, and the vacant lots all the way up.

Now notice there's only 651 [total properties], there's actually 670 but we took out the governmental and religious properties, because they weren't tax based.

These are the exact numbers. This was an upgrade a little bit from where Randy got us started when he first brought in that data and everyone told us, that was interesting. We went there quickly.



Slide 25 - Models 1-4 of potential Historic Zones and % Historic to Non-Historic Homes - see next slide for details

Now what we did is we modeled the amount of historic versus non-historic properties within these boundaries. And we wanted to see where's the real richness with the highest saturation of historic properties.

So **Model 1** is the first one that Craig [Paulsen] gave me. From **Fourth North to Fourth South and one full block on either side of Main Street.**



Magnified Model 1 from Slide 25 which is Fourth North to Fourth South and one block either side of Main Street

So this is roughly the data that we had just gotten through look and if you'll notice it's a little small the saturation is **82.4% historic**. So very dense

Model 2 goes one block further both directions okay so it's now second West to Second East and it goes a little bit more North and a little bit more south.

As we ran the models, I'll show you can start seeing from to there (the ones I've bolded in Slide 24) is where there are huge shifts.



Magnified Model 2 from Slide 25 which is Fourth North to Fourth South and two blocks either side of Main Street

Look in slid 24, can you see **Third East to Fourth East** there's 20 historic properties? You drop to **Fourth East to Fifth East** and it drops to 8 historic properties.

Lot Type Count by Address				
LATERALS	HISTORIC	NON-HISTORIC	VACANT	Total
700 E TO 800 E		8	7	15
600 E TO 700 E		34	20	54
500 E TO 600 E	8	28	27	63
400 E TO 500 E	8	32	19	59
300 E TO 400 E	20	33	14	67
200 E TO 300 E	30	28	14	72
100 E TO 200 E	37	22	15	74
MAIN TO 100 E	45	24	26	95
MAIN TO 100 W	40	16	19	75
100 W TO 200 W	20	13	13	46
200 W TO 300 W	3	7	11	30
	211	244	196	651*

Slide 24 - Lot Type County by Address (street laterals)

And then a couple more [600 E to 700 E] and it drops to nothing.

Down here at the other extreme you've got Second West the Third West there's only 3 total Historic properties.

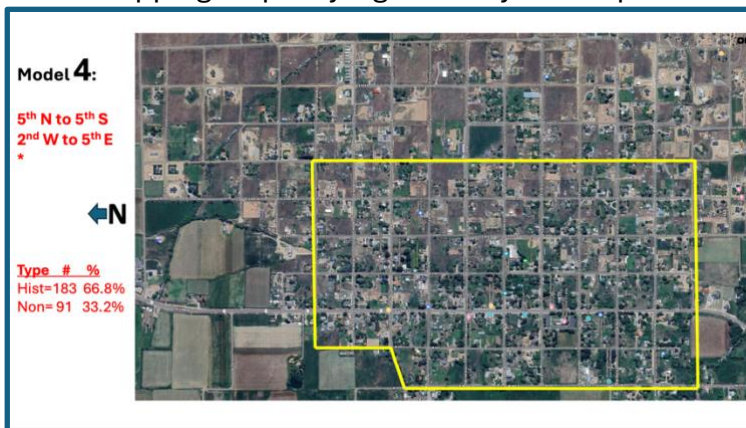
So, these are all just models. This is completely wet cement. We can do whatever we want with it.

So back to this. We've got **Model 3**, which goes up to **Third East** stays the same on Second West.



Magnified Model 3 from Slide 25 which is Fifth North to Fifth South and three blocks east and two west of Main Street

Model 4 goes all the way up to Fourth East and it starts dropping off pretty significantly at that point.



Magnified Model 4 from Slide 25 which is Fifth North to Fifth South and four blocks east and two west of Main Street

We've got a ton of properties right up there in **Model 3**, there's 165 historic properties.

And the data just sort of tells us, if we were to look, **not** at changing the Historic District boundaries that we've turned into the registry. But one of the things we were asked to consider was **what would it look like if we made a Historic District Zone?** That's all this. It doesn't change the big blue line we saw from the beginning. Here's a summary:

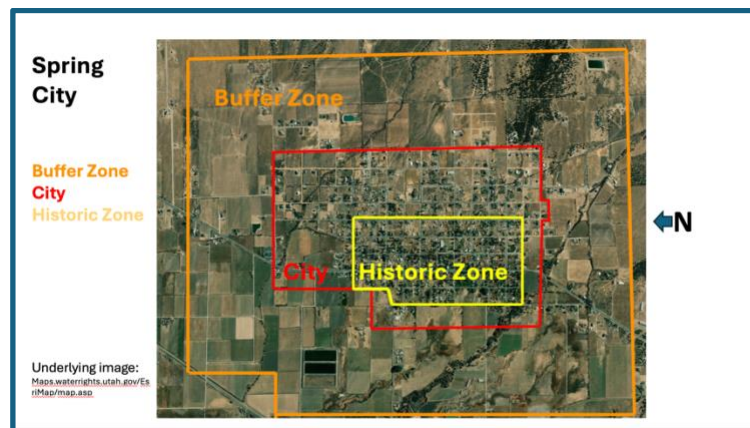
Model 1			Model 3		
Type	#	%	Type	#	%
Historic	70	82.4%	Historic	165	70.2%
Non-Hist	15	17.6%	Non-Hist	70	29.8%

Model 2			Model 4		
Type	#	%	Type	#	%
Historic	137	72.9%	Historic	183	66.8%
Non-Hist	51	27.1%	Non-Hist	91	33.2%

Slide 26 - Historic to Non-Historic Saturation Ratios from Models 1-4

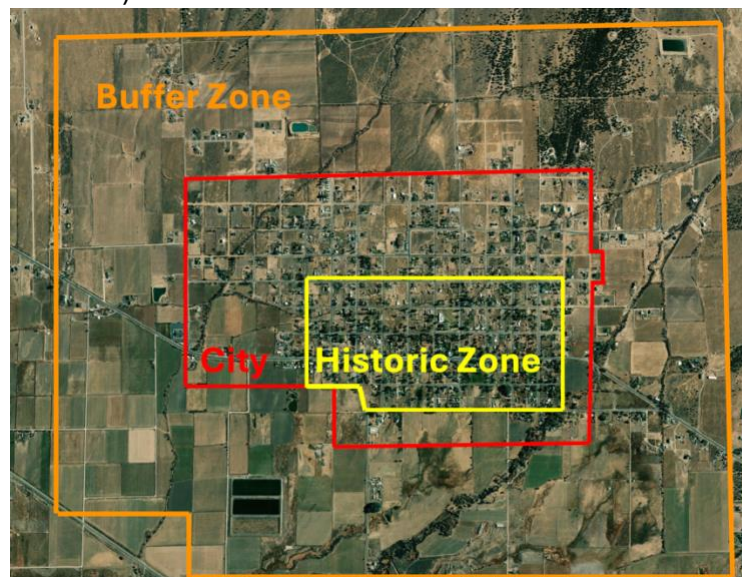
These will all be made available. This is just the data of those maps.

If **Model 3** was chosen it would look like this:



Slide 27 - Historic Zone added to City and Buffer Zone

Now if you remember we just had the orange and the red. Now we would have a Historic Zone (wherever it's decided) and this is what it would look like.



Magnified Slide 27 - Historic Zone added to City and Buffer Zone

You could have certain things going on in the Historic Zone, Craig mentioned what's called a Preservation Zone. That could be or it could be an alternate.

And then you could have something going on in there with everything else around it. That was the concept, again it's totally wet cement.

So, then we started looking okay if the historic district is pretty safe and sound how do we juggle **the other big need which was property rights?**

Remembering that there's two kinds: there's Owners and Neighbors.

Key Principles

- 1. Focus on the Facts
- 2. Preserve & enhance Historic District
- 3. Preserve & enhance Property Rights
- 4. Variable financial modeling with data
- 5. Citizen equity vs developer profits
- 6. Transparency & trust are two-way streets
- 7. Committee pro & con analysis
- 8. Growth is inevitable, planned growth is ideal

Slide 28 - Key Principle - Preserve and enhance Property Rights

We jumped into the first main mission that we were given from the charter which was to identify what could be done with smaller lot size.

Charter: “identification of any areas that may be suitable for consideration of subdivision into building lots **smaller than the 1.06-acre** standard lot.”

#1 – Smaller Lot Size

Research project #1: Lot Size Restrictions History in Spring City
Research project #2: Illustrate benefits to City & Citizens based on ½ Acre lots built on: 5%, 10%, 20%

Slide 29 – Charter #1 -- Smaller Lot Size

This was very interesting. Our first question was, “What's been the history of all this change in restrictions around lots?

Lot Size

Restrictions History

Spring City has had **five restrictions** on lot sizes since 1852

Source:
Spring City Municipal Corporation,
Zoning Permit & Utility Information –
Final 12-15-2021

Lot Size	Date	Time
Any size	1852 to Aug 7, 1979	128 years
1 / 3 acre	Aug 7, 1979 to May 5, 1987	8 years
1 / 2 acre	May 6, 1987 to Oct 31, 1993	6.5 years
1.06 acre	Nov 1, 1993 to Apr 5, 2004	10.5 years
1 / 2 acre	Apr 6, 2004 to Nov 1, 2004	.5 year
1.06 acre	Nov 2, 2004 to present	~20 years

Slide 30- Lot Size Restrictions History

And we found this in the zoning permit utility information.

There were five different changes that happened until August 7th of 1979, it was just open. It started with a

third of an acre that lasted eight years, half an acre six and a half years, and then 1.06 Acres for 10 years.

Then a very short time, I don't know what happened there, but for half a year it shifted then went back for 20 years. So that's been the history of the change.

We added one more variable to the Laterals, and that was all of the lots by size of lot.

LATERALS	LOTS BY SIZE				TOTAL
	-.25	.25-.5	.5-1	1+	ALL SIZES
700 E TO 800 E	0	5	6	6	17
600 E TO 700 E	0	5	6	47	58
500 E TO 600 E	4	5	6	45	60
400 E TO 500 E	3	7	10	42	62
300 E TO 400 E	2	9	9	47	67
200 E TO 300 E	2	10	13	44	69
100 E TO 200 E	7	10	26	29	72
MAIN TO 100 E	15	26	21	24	86
MAIN TO 100 W	6	22	23	22	73
100 W TO 200 W	0	1	19	30	50
200 W TO 300 W	2	4	7	17	30
	41	104	146	353	644

Slide 31 Detail - Lots by Size and Street Laterals

And we put them into what are called quartiles, so everything less than a quarter acre, one quarter to one half, half to one (not they're not really quartiles). This is a half and then 1+. Now there's some pretty big lots in the 1+, but I'll show that later.

But we've left it by lateral so you can see where everything is geographically. Now we jump into the financial modeling:

Key Principles

- 1. Focus on the Facts
- 2. Preserve & enhance Historic District
- 3. Preserve & enhance Property Rights
- 4. Variable financial modeling with data
- 5. Citizen equity vs developer profits
- 6. Transparency & trust are two-way streets
- 7. Committee pro & con analysis
- 8. Growth is inevitable, planned growth is ideal

Slide 32 - Key Principle of Variable Financial Modeling with Data

Because we were trying to answer those main questions.

We tried for no opinion or commentary. Just data.

After feedback, the first place we looked revenue.

About \$102,000 a year comes from property tax.

Spring City City Property Tax				
2023	Avg/yr	Total	%	
Vacant Green-belt lots (40):	\$.99	\$ 39	.04%	
Vacant lots (196):	\$ 77.90	\$12,153	12%	
Historic building lots (211):	\$176.08	\$37,549	37%	
Non-Hist homes lots (244):	\$207.18	\$49,297	48%	
All lots (670):	\$152.18	\$101,964		

Slide 33 - Spring City Property Tax by Type of Lots and Monthly vs Annual

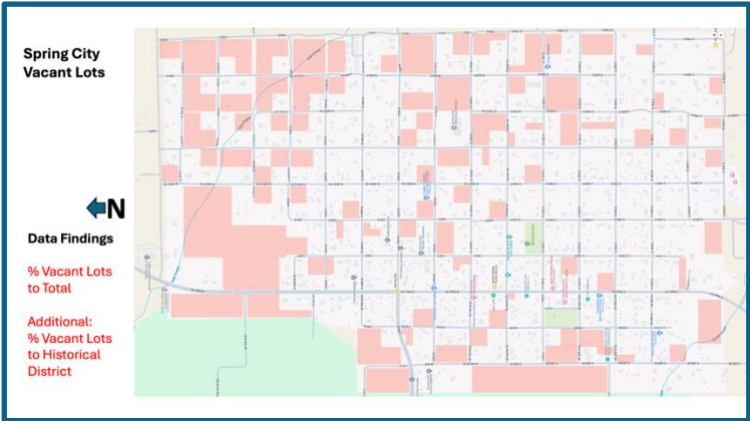
A small fraction of what the County receives.

Notice the green belt. There are 40 lots. Those are agricultural lots. We make a whopping buck a year off those and they're less than 1%.

Vacant Lots we make about \$80 a year each.

Historic buildings \$176, non-historic \$207.

We mapped it out visually. The red is wherever there are vacant building lots:



Vacant Lot Map - Vacant lots in Spring City - Noted in Red

So, you can see that little river Oak Creek is it in the top (northeast corner) and that's a hard obstacle to get over, for both the water and the sewer, which we'll talk about.

There's a lot of vacant lots. That Creek obstacle has always been a bit of a boundary. I should have also put green in here, but I didn't have time. Then we jumped into all we had a full year's worth of utility bills.

They added a whole new element we didn't know about and that's everybody out of the city.

Spring City \$ Per Customer				
2023 City Services	Avg/mo	Avg/yr	Res In City	Out of City
Electric:	\$107.43	\$1289	\$1152	\$1615
Water:	\$57.50	\$690	\$672	\$744
Sewer:	\$46.65	\$560	\$557	\$617
Fire District:	\$4.95	\$59	\$59	\$60

Slide 35 - Spring City \$ per customer by type of utility, monthly/annually, and in city, out of city.

We service a lot of people out of the city as well as in the city. We've got exact numbers to show you.

But electric, water, and sewer we added the fire district there's a few other items but they're not really applicable to everybody. [The County takes most of the Fire District revenue we found out later.]

We've got the monthly bill the average for the year and then a major shift between those in city and those out of city.

We start doing some of the financial modeling.

Average Home	
Average lot size & annual revenue	
Non-historical home in city	Historical home in city
• 1.04 Acre avg lot size	• 0.81 Acre avg lot size
• Actual Value: \$370,248*	• Actual Value: \$281,352*
• Taxable Value: \$217,856*	• Taxable Value: \$185,157*
Annual Revenue:	Annual Revenue:
• SC Taxes = \$207.18	• SC Taxes = \$176.08
• Electrical = \$1,272.18	• Electrical = \$1,144.36
• Water = \$752.54	• Water = \$666.04
• Sewer = \$566.40	• Sewer = \$566.02
• Fire = \$59.85	• Fire = \$60.08
TOTAL = \$2,858.15	TOTAL = \$2,612.58

Slide 36 - Average Home: Lot size & Annual Revenue to Spring City

Using all the normalized data we were able to go in add all of it together and find the average lot size and revenue of a non-historical home versus a historical home in the city \$2850 versus \$2600.

Now again there's little things here and there but it this is close. And it shows that interesting variance between; the lot sizes are smaller, and the revenue is a bit smaller.

Because there's a notable number of historic homes that are more like showcases and not fully lived in with all the revenue that would come.

Now we did the same thing with lot valuations.

Approximate Lot Valuations
for illustration modeling

1.06 Acre

\$125k to 185k

~\$150,000

.5 Acre - Buildable

\$90k to 135k

~\$100,000

Slide 37 - Approximate Lot Valuations -- 1.06 acre versus .5 acre

And this was sort of the building block we needed to see what kind of value would come off just the vacant lots or the lots (again because our first mission was smaller lot size.) We put this in place, we looked at some comparables, and to keep it simple we said the average 1.06 acre is about \$150k the average half acre is about \$100k.

Then we compared non-historical versus the historical per home and total.

Non-Historical Single-Family vs Historical

Non-Historical annual revenue than Historical per home

\$245.57

Non-Historical annual revenue more than Historical total

\$129,230.89

Non-Historical annual revenue more as a percentage per home

9.4%

Non-Historical annual revenue more as a percentage total

23.3%

Slide 38 - Non Historical Single Family Home values over Historical

It's about \$245 more per year, non-historical. And because there's more non-historical homes, the city makes about \$129,000 more per year off the total non-historical. The average per home is 9.4% the average for the whole differential is 23.3%.

I skipped ahead to this one this was the one where we got together and tried to get a pro and a con.

Key Principles

1. Focus on the Facts
2. Preserve & enhance Historic District
3. Preserve & enhance Property Rights
4. Variable financial modeling with data
5. Citizen equity vs developer profits
6. Transparency & trust are two-way streets
7. **Committee pro & con analysis**
8. Growth is inevitable, planned growth is ideal

Slide 39 - Key Principle - Committee Pro and Con Analysis

I'll show you what that looks like

Pros & Cons: Lot Size Less than 1.06 acre

Pros

- Lot size does not affect Historic District at all
- Citizens with .5 acre & 1.06 acre lots able to access property equity
- Utility revenue increases, all on meters by city
- Impact Fees pay down Water / Sewer bonds by new residents
- Property rights of owners preserved
- Full property tax charged

Cons

- Property rights of concerned neighbors (open spaces)
- Zoning of County adjacent to city could adopt the less than 1.06 acre city zone.

Slide 40 - Pros & Cons of lot size less than 1.06 acres

In terms of the discussion around lot size less than 1.06 Acres most of us on the committee listed Pros & Cons.

And we said that **lot size does not affect the historic district citizens** with half acre or 1.6 acre lots if something was decided to be done with **lot size less than 1.06 acres, they could access their equity** so we nicknamed that Citizen Equity.

Utility revenue increases because we meter everything, that's an important issue I'll talk about in a minute.

Impact fees can be charged whenever new things are set up. New utilities right now though we only charge impact fees on two things: we charge it on electrical we charge it on water.

We don't charge sewer, and we don't charge roads but we discovered how to what would need to be done to do that.

I'll talk about that a little bit later but in terms of cons again **property rights of owners would be**

preserved. Over here **property rights of concerned neighbors might not be.**

So that's the balance. We wanted to make sure both were recognized.

Full property tax is charged here but other things like some of the affordable housing models it's not charged at all.

Well, it's not quite true but I'll show you what I mean on that in a minute.

This was the pros and cons, oh and then **the zoning of the county adjacent to city could adopt.**

If we decided to go to half acres and it butts right up against the city boundary. Cody our city friend who now works at the county level I think on County Planning and Zoning let us know that there is a possibility that they could (like a domino) sort of start grabbing that zoning and rolling it out into the buffer zone.

We'll get there, we'll keep going here so okay so now the **major charter number two which is affordable housing.**

Charter: "for development of homes for residences of various income levels."

#2 - Affordable Housing

Research project #1: Examine Comparable: Trailer Court #1
Research project #2: Model Illustrations of Affordable Housing: Trailer Court #2
Research Project #3: Examine Assertion of higher crime
Research Project #4: Controlled Growth with Resolution = Overall homes vs Affordable Housing Factor: 5%, 10%, 15%

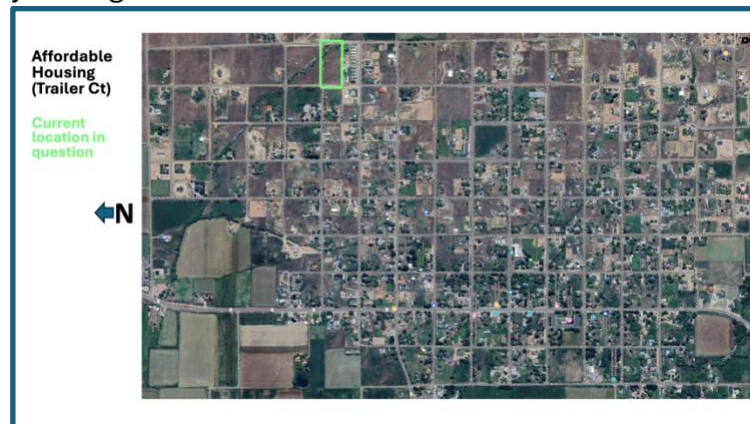
Slide 41 - Charter #2 - Affordable Housing

There are all kinds of debate into the question (Affordable Housing) what that even means. I understand there's a new phrase called attainable housing. I'm not going to go into all that right now, but we do have all that in the by the way we have a much more in-depth version of this that's like double the slides and a lot more of the source documents.

But we'd be here most the night. Our charter was for development of homes for residents of various income levels. These are the different research

projects on each of these chapter slides, you've got all the projects that we did.

This is the visual map of the little two-and-a-half-acre lot that started a lot of this discussion now about two years ago I understand.



Slide 42 - Map - Affordable Housing Lot - Proposed for Trailer Court

That's where it's located. You can see the trailer court just to the south of it this is going north.

It will be that way on all our slides this is a visual looking down on the trailer court.



There are 16 trailers there's also a home there and there is a steel building there.

We did a comparable. And we checked with the owner Brad Sorenson of the trailer court. There are again 15 mobile homes, a steel building, and a home built. There's a debate on when the home was built. 16 total units. It's 2.1 acres plus a little sliver at the top making it two 2.46.

The actual land value out of the property tax records is just under 400 grand, (taxable value by the way is calculated by multiplying the actual by 0.55 to get the taxable.)

Compare: Spring Acre Investments, LLC

- Owner: Brad Sorenson
- 15 Mobile Homes
- Steel Building
- 1 Home built in 1970
- 16 Total Units
- 2.11 + .35 = 2.46 Acres Land + Home
- Actual Value: \$397,197
- Taxable Value: \$233,710
- **SC Taxes = \$222.26**
- Water \$848/mo = \$10,176/yr
 - Combined is 2nd largest Account
 - 16 units billed at \$53/mo
 - Wants city to meter for him
- Electric = \$15,318.26/yr
- Sewer = \$8,846.51/yr
- Fire = \$941.12
- Total Utilities = \$35,282/yr
- **Tax + Utilities = \$35,504/yr**

Slide 44 - Compare: Spring Acre Investments, LLC (Current Trailer Court)

Spring City makes a whopping \$222 a year off the ground that that's on. Because none of the structures qualify for property tax. There's 16, well the home does, in fact if you took the home off that would be cut in half okay

So over here we then added in the revenue items with water. You can see but this was really interesting our single largest client for the for the city for water who would guess? It's the elementary school by a long shot. But the second largest is the trailer court. So and they're build \$53 a month times 16.

But we don't meter it out to each of the trailers, in fact Brad came into the last city council to ask if the city would meter his billing. Because he must do the billing by hand every month. We get the full revenue, but he does the billing, not the City.

What a lot of trailer court owners do is they'll take one single line of water at a much lower cost, and they'll meter it out themselves and make all the profit. And so, we did not allow that we have the full \$848 a month so whoever was at the helm when that happened was watching out for the city interest.

Electric, sewer and so on, everything together \$35,000 a year off that trailer court.

Now one of the things that was brought up as a question was, are there significant differences in crime at affordable housing, low-income housing, moderate income housing?

Thanks to Jane we went out to a couple of local cities nearby we looked at our own, thanks to Chief Huff, and validated that in fact the data that I think Marty gave us originally.

Police Report Comparison

City	Date	Total Police Reports	Trailer Court	Multi-Family Housing	% of Police Reports	% of Homes
Spring City	2.5 years	1,100	14	NA	0.45%	2.48%
Chester (unincorporated area of County)	8/23 to 8/24	54	14	NA	26%	49 Trailers, unknown homes in Chester
Ephraim	1/1/24 to 9/16/24	1,401	0	27	1.93%	2 Trailer courts, 10 MF complexes

Slide 45 - Police Report Comparison for Spring City, Chester, and Ephraim

We went back two and a half years, there's been a total of 14 trailer court police incidents out of 1100 which is .45%. And they make up 2 and a half percent of the homes, is this making sense?

Chester, which I didn't know is not actually a city, it's an unincorporated area. They don't even know the boundary or the population because we've tried.

We called everybody. We drove them crazy. There was a total of 54 police reports this is County Sheriff 14 at the trailer court we which is 26%.

We went over there there's 49 trailers did you guys know that in that trailer court going straight out from Spring. Don't know how to calculate percentage of homes on that.

Ephraim not quite nine month just nine and a half months they have a total of two trailer courts 10 multi-family complexes and with all of those there were 27 police incidents zero in the trailer courts for 2% and we don't know the we don't know the total number of homes there they said they would get it for us but it will take a while I can have it by October 3rd.

Barry gave us some research on how we compare with particularly multi-family and lot size and Trailer Park.

Three local cities don't have trailer parks. Two of them do have multi-family. But Fairview does not. They have an ordinance but none assigned.

City Zoning Comparison

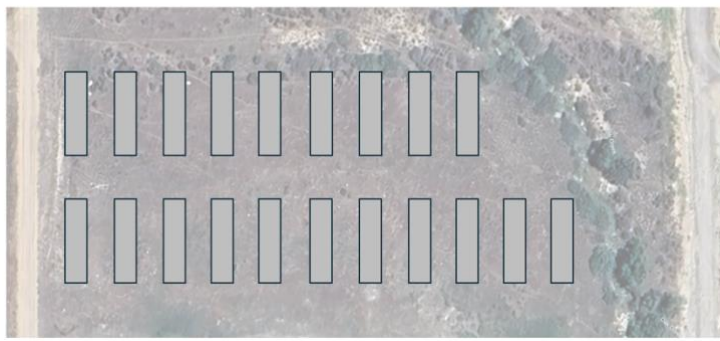
City	Lot Size	Multi Family	Trailer Park
Fairview	10,000 sq ft (1/4 acre)	3-4 dwelling units per structure ordinance but none assigned	NA
Moroni	10,000 sq ft (¼ acre)	5 dwelling units per acre	NA
Fountain Green	??	NA	NA

Slide 46 - City Zoning Comparison (Incomplete)

And then lot size 10,000 square feet which is just under quarter acre. We don't know the answer for Fountain Green. More of this can be gathered it's just time intensive.

This is looking down on the proposed trailer court.

Trailer Court (Proposed)



Slide 47 - Satellite Map - Proposed Trailer Court

We ran both models: a trailer court model and a multi-family housing model. This looks at 20 trailers.

And the model here is a different than what we saw because we included the impact fees.

Trailer Court

- Owner: Phil Woods
- 20 Mobile Homes
- Land
- 2.43 Acres
- Actual Value: \$193,795
- Taxable Value: \$106,587
- **SC Taxes = \$101.36**
- Impact Fees – 2 Options
- **Water = \$1200 or (\$1200x20)**
- **Electrical = \$900 or (\$900x20)**

- Water – 2 options
 1. Owner: = **\$3,311 yr**
 2. City: = **\$13,920 yr**
- Electric – 2 options
 1. Owner: = **\$12,867 yr**
 2. City: = **\$19,452 yr**
- Sewer = **\$11,280/yr**
- Fire = **\$1,200/yr**
- City Annual Revenue: (2 options)**
 1. **Owner Meters: \$28,658**
 2. **City Meters: \$45,852**

Slide 48 - Trailer Court Financial Model

Impact Fees are \$1,200 one-time for water, \$900 one-time electrical. You can see the actual value.

Can you see the property tax?

SC tax is fourth line up [on slide 48]: 101 bucks on that property because none of the trailers are considered property, because they're mobile with wheels right? If you want a loophole there's one for you.

Notice there's two options on water and electrical. We had this discussion with Phil. If the owner decides to meter his own utilities and as an entrepreneur Phil said he'd like to.

But then he thought long term he might reconsider it. It's still up in the air. The water costs are very low if he just takes one big pipe of water and meters it out himself versus the city doing it all.

If the owner meters the water and electricity, the City makes \$29. If the City meters it all we make \$46k.

So that's all for our second big model. Pros and cons:

Pros & Cons: Affordable Housing

Pros

- Utility revenue increases, more if metered by city
- Impact Fees pay down Water / Sewer bonds by new residents
- Property rights of owner are preserved
- Have affordable housing options available

Cons

- No way by City to regulate people who live here in trailers, done by property owner
- City cannot charge property tax on trailers that are considered movable.
- Potential devaluation of property values of neighbors. (Based on appraisal practices)
- Property rights of concerned neighbors are violated
- Zoning of County adjacent to city could adopt the Affordable Housing city zone.

Slide 49 - Pros & Cons - Affordable Housing

PROS: The utility revenue increases more if metered by the City. Impact fees. Property rights are preserved. Affordable housing options available.

CONS: No way by the city to regulate the people who live here in the trailers, that is done by the property owner. That came up a lot. Same with how things look.

All kinds of property concerns, those came up by citizens all the time and a lot of the feedback was given.

Well, there are ordinances and things in place to deal with that. But we don't seem to enforce that very often. So that was Con.

Then the city cannot charge property tax on trailers that are mobile.

Potential evaluation of property values of neighbors a major concern was, would this drive property value down for neighbors?

Property rights of concerned neighbors are violated versus property rights of owners are preserved: pro and con.

Building a zoning of County adjacent to the city could adopt the affordable housing City Zone and drive it out to the buffer zone if it's adjacent to the city boundary which this is.

So now one of the things that we modeled was because again planned growth means you plan ahead so that you can control runaway growth.

One of the models that was put out here was to say okay let's have what's called a **controlled growth factor**

Affordable Housing Controlled Growth Factor

Model:
Set in place a **controlling growth factor** that limits the number of affordable housing units within the city.
This illustrative model is calculated by multiplying the factor by the total number of homes in the city for number allowed units.

Total Homes	5% Control Factor	10% Control Factor	15% Control Factor
455	23	46	68

We modeled if you take the total homes and you say the most that can ever be in place without additional approval from a city council would be 5%.

5% of 455 total homes would be 23 units
10% would be 46
15% would be 68

That would be a model that would show how to control that it's not a runaway train. We did the same thing with multi-family

Now this is our third big chapter: Multi-Family.

Charter: “provide input regarding potential revisions to the recently adopted Spring City ordinance regarding the creation of a new R-MF residential zone.”

#3 - Multi-Family Housing

Research project #1: Examine Current Ordinance – passed March 2024
Research project #2: Model Illustrations of Multi-Family Housing
Research Project #3: Controlled Growth Option Overall homes vs Multi-Family Housing Factor: 5%, 10%, 15%

Charter:
“provide input regarding potential revisions to the recently adopted Spring City Ordinance regarding the creation of a new R-MF residential zone.”

(Which was done in March.) I saw people checking their watches so if you want to go you can anytime, we’ve put so much time in, those who want to stay put please stay put, it gets exciting!

Regarding the creation of a new residential multi-family residential Zone, these are the projects that we that we work through.

I'll walk you through them again same basic map it's the same basic property juggle between either trailer court or duplex.

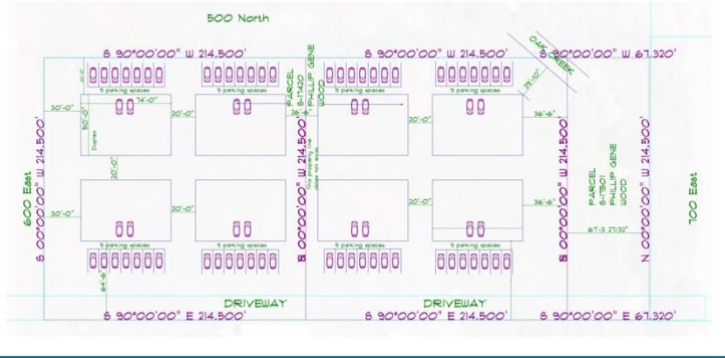


Slide 52 - Satellite Map - Proposed Location for Multi-Family Housing

We asked for the different architectural renderings.

This is what it would look like top down with parking.

Duplexes



Slide 53 - Duplex Top Down Rendering with Parking

That was a big concern.

This is what it looks like front on and reverse.

Duplexes: Front / Rear Views



Slide 54 - Duplex - Front and Rear Rendering

We drove out there and took a photo of one of the properties. This is a three-bedroom two bath with a garage. This is on 7th South and about 285 West in Mt. Pleasant.



Slide 55 - Image - Actual photo of a duplex approximately matching the ones that would be built in Spring City

This is the actual duplex.

Eight duplexes 16 units we were kindly provided very similar comps on this property so exact same structure. But there's a slight bump in valuation for Spring City.

Duplex Financials

- Owner: Phil Woods
- 8 Duplexes – 16 Units
- 8 * ~\$385k valuation each if 2 per ½ acre lot.
- 2.11 + .32 = 2.43 Acres
- \$366 * 8 buildings = **\$2928 Property Tax**
- Impact Fees
 - **Water = \$1200*16 = \$19,200**
 - **Electrical = \$900*16=\$14,400**
- Water: 16 * \$58/mo = **\$11,136/yr**
- Electric: =16* \$96/mo = **\$18,432/yr**
- Sewer = 16 x \$47/mo = **\$9024/yr**
- Fire = 16 x \$5/mo = **\$960**
- Utilities: \$41,016/yr**
- Tax+Utilities: \$43,944**
- 1x Impact: \$33,600**

Slide 56 - Duplex (multi-family) financial model illustration

I think it was \$360,000 (in Mt. Pleasant) it's valued here at \$385,000. That's about what city Spring City would add to it.

It's 2.43 Acres but notice a significantly higher property tax, \$2,928. Because we're making property tax on the property and the structures

We did consider the size of lots as well

And we also have the impact fees we've got all the utilities.

Notice that with the onetime impact fee and the tax plus utilities so the first year we'd make about \$77k first year, ongoing it's \$44k per year.

Pros & Cons: Multi-Family Housing

Pros

- Utility revenue increases, all on meters by city
- Impact Fees pay down Water / Sewer bonds by **new** residents
- Property rights of owner are preserved
- Full property tax charged, considerably more than trailers
- Have multi-family housing options available

Cons

- No way to regulate people who rent or buy here in these units, controlled by property owner/seller
- Potential devaluation of property values of neighbors. (based on appraisal practices)
- Property rights of concerned neighbors are violated
- Zoning of County adjacent to city could adopt the Multi-Family city zone.

Slide 57 - Multi-Family Housing Pros and Cons

This is from the city's perspective. So, pros and cons. I won't go over all of them because we've hit most of them before.

We'd have multi-family housing available the first bullets important though every single unit would have all the full metering the options are not there like they are with the trailer court to combine and aggregate sort of a wholesale model on utilities.

Back to cons here there's no way to regulate the people who rent that's up to the property owner and I wanted to, I called Brad Sorenson, our comparable, and asked him how he does things.

I'll go into that a little bit but he and he currently rents out his trailer court at \$400 per pad and then they own the trailer.

I'm told that the rent on the duplexes would be \$1500 so there's a bit of a lower income / moderate income model there.

But that's completely controlled by the property owner there's nothing really built into a way to control who rents it

There is a potential devaluation of property values but probably not anywhere near what the trailer court model would be.

Property rights again, here owner (Pros) the neighbor over here (Cons.)

Again, zoning of the county could adopt that zone and move it into the buffer zone if this were to happen same thing we've done here

Multi-Family Housing Controlled Growth Factor

Model:

Set in place a **controlling growth factor** that limits the number multi-family housing units within the city.

This illustrative model is calculated by multiplying the factor by the total number of homes in the city to see number allowed units.

Total Homes	5% Control Factor	10% Control Factor	15% Control Factor
455	23	46	68

Slide 58 - Multi-Family Housing Controlled Growth Factor Models

We show the controlled growth factor I don't think I need to go over that again

We'll jump into now City growth which was our fourth main issue for growth in Spring City.

Charter: "the Spring City Planned Growth Committee is to consider and prepare a plan for growth **in** and around Spring City."

#4 – City Growth

Research project #1: **CITIZEN EQUITY** – Illustrate financial benefits to City & Citizens based on ½ Acre lot 2%, 5%, 10%

Slide 59 - Charter #4 - City Growth

And what we did is we did an illustration of this Citizen Equity model. If you own land that becomes a bit of your own savings account.

This is how you would tap that. That was something that hadn't really been discussed particularly inside the City. there's not a lot of big lots, there's one really big one like 18 Acres that's a farm in the green zone.

But right now, there's lots of just little lots and lots of one acre. And if and if it was to be cut in half to two half acres it would be mostly citizens who would reap that benefit rather than the big developers:

Key Principles

1. Focus on the Facts
2. Preserve & enhance Historic District
3. Preserve & enhance Property Rights
4. Variable financial modeling with data
- 5. Citizen equity vs developer profits**
6. Transparency & trust are two-way streets
7. Committee pro & con analysis
8. Growth is inevitable, planned growth is ideal

Slide 60 - Key Principle - Citizen Equity vs Developer Profits

So that's what that means. What we did is we jumped in and said, "Okay a Citizen Equity model what would that look like?"

We went and grabbed all the potential lots from historic from non-historic, from vacant, from vacant one acre, and what we call the vacant jumbo there's 44 of those but they're big I mean they go up to 18 and half acres.

If you split the 1.06 acre to the smaller .5 acre lot size there's potentially 525 lots if all of that happened.

Citizen Equity – Lot Sales

Type of Lot	#	Saleable	% ½ acre Saleable	# Sold	\$ Revenue (\$100,000)
Historic Lots 1+	99	49			
Non-His 1+	155	77	2%	11	\$1M
Vacant .5	35	35			
Vacant 1.06	55	110	5%	26	\$2.6M
Vacant Jumbo	44	254	10%	53	\$5.3M
TOTAL	388	525	20%	105	\$10.5M

Slide 61 - Citizen Equity Illustration if potential lots were split to .5 acre and sold. Models of 2%, 5%, 10%, 20% of lots sold. \$100k per .5 acre illustrated.

Now that won't happen, but we wanted to illustrate what it looks like. We illustrated it based on 2% of the people who have one of those lots, if they decided to develop it and then subdivide it that's what the number would look like. You'd have 11 lots to sell.

The 2% was used because that's the amount of annual growth our city currently has.

Then we went to 5%, 10% and 20%. That shows how much equity for the citizens there would be if they chose to sell their lots. If you bring in the utilities and having it ready to be built on if you sell it developed, otherwise it's undeveloped and we checked comps on both. You would sell it for quite a bit less but you would sell it and then the person who buys it would be responsible for the utilities.

So, but that would be the revenue sitting in the citizens piggy bank for Citizen Equity. Now let's change the exact same numbers to City Revenue.

City Revenue – Home Sales

% ½ acre Saleable	# Sold	Impact Fees (\$2100 *1x)	\$ Revenue Annual (\$2,858.15/yr)
2%	11	\$21,000	\$28,582
5%	26	\$55,125	\$75,025
10%	53	\$110,250	\$150,053
20%	105	\$220,500	\$300,106

Slide 62 - City Revenue Financial Model based on Home Sales from smaller lot sizes at 2%, 5%, 10%, and 20% of available lots sold.

We looked at the numbers of the amount of impact fees, and remember Avg Home Revenue slide #26? We bring in about \$2,858 per sale. We didn't add any historical because we wouldn't be selling any new historical homes for 50 years.

It shows the same model in onetime revenue for the city and ongoing revenue annually based on what percentage decided to tap into the smaller lots

This next slide is a lot of info on one slide.

Lot Sizes: Historic x Non-Historic x Vacant

LATERALS	HISTORIC				NON-HISTORIC				VACANT LOTS				TOTAL
	.25	.25-.5	.5-1	1+	.25	.25-.5	.5-1	1+	.25	.25-.5	.5-1	1+	ALL
700 E TO 800 E					1	2	5		4	4	1		17
600 E TO 700 E					3	1	30		2	5	17		58
500 E TO 600 E	1	1	6		1	3	22	4	3	2	17		60
400 E TO 500 E	1	3	4		2	3	27	3	4	4	11		62
300 E TO 400 E	1	2	2	16	1	4	6	21	3	1	10		67
200 E TO 300 E	1	3	8	18		5	5	17	1	2		9	69
100 E TO 200 E	1	5	14	17	2	3	9	7	4	2	3	5	72
MAIN TO 100 E	6	11	15	13	3	10	5	6	6	5	1	5	86
MAIN TO 100 W	4	8	18	10		7	3	6	2	7	2	6	73
100 W TO 200 W			7	13			3	10		1	9	7	50
200 W TO 300 W			1	2			2	4	2	4	4	11	30
ALL	13	31	69	99	6	36	42	155	22	37	35	99	644
TOTAL		212				239				193			

But some who've seen this think this is the coolest slide of the bunch because it has it all mixed together.

It shows the laterals by geography, it shows the historic by type, and it also shows the size of lot.

This has everything. We've bolded so you can see the sweet spots. If you look at the non-historic and vacant lots you see the bolded numbers up top (top right of slide) that's where the lots would be that could be sold. Whereas the historic district clusters right here (left middle) where all the historic homes are that's in bold as well, so this one slide has all of it.

Okay now the last piece, the buffer zone growth.

Charter: "the Spring City Planned Growth Committee is to consider and prepare a plan for growth in and around Spring City."

#5 – Buffer Zone Growth

Research project #1: Primary Resolution = **No Services in Buffer Zone unless Annexation.** (Example: Large development to the north-east to the City and City said no.)

Research project #2: Controlled Growth Illustration = effects of 1 block / 2 block / 3 block changes from RA-2 (1 acre) to RA-1 (1/2 acre)

Research project #3: Illustrate financial benefits to City & Citizens based on ½ Acre lot Subdivisions Annexed in controlled fashion: 5%, 10%, 20%

Slide 65 - Charter #5 - Buffer Zone Growth

This would be planned growth out around Spring City we did several projects there there's a lot more that could be done.

The main rule we wanted to stress because a lot of people have been worried that there might be a runaway freight train outside the city and it's very easily checked, in fact it just was a few months ago.

There was a 100-acre plot of land that developers purchased northeast of the city. They came twice to the city, and we just used a two-letter word that starts with “n” to stop it called “no!” And that's all that we had to do. It's that simple.

But there's a major issue that we must consider. Because if we were to boil down the whole, the two biggest of bombshells of realization, we've all had, is the historic district and then this one.

Which is really centered around that growth is going to happen (with or without Spring City.) The question is do we let the county have all the benefits of it or do we let the city? It comes down to that.

And we really can stop growth. We can just say “no!” But if we do, the County is not saying no. I'll show you what that means with illustrations.

Growth is inevitable, planned growth is ideal.

Key Principles

1. Focus on the Facts
2. Preserve & enhance Historic District
3. Preserve & enhance Property Rights
4. Variable financial modeling with data
5. Citizen equity vs developer profits
6. Transparency & trust are two-way streets
7. Committee pro & con analysis
- 8. Growth is inevitable, planned growth is ideal**

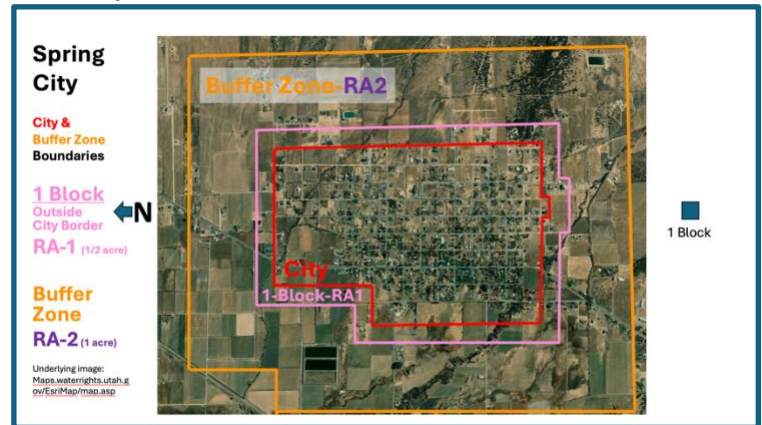
That's the outcome of this data. Here's what it would look like if we were we were modelling in a controlled model, a planned model of growth around the city. The first model starts showing that there is no growth. (top right quadrant of slide.)



Slide 66 - 4 models showing not growth, a 1 block perimeter of 1/2 acre lots allows 55 blocks, a 2 block perimeter allows 127 blocks, a 3 block perimeter allows 193 blocks.

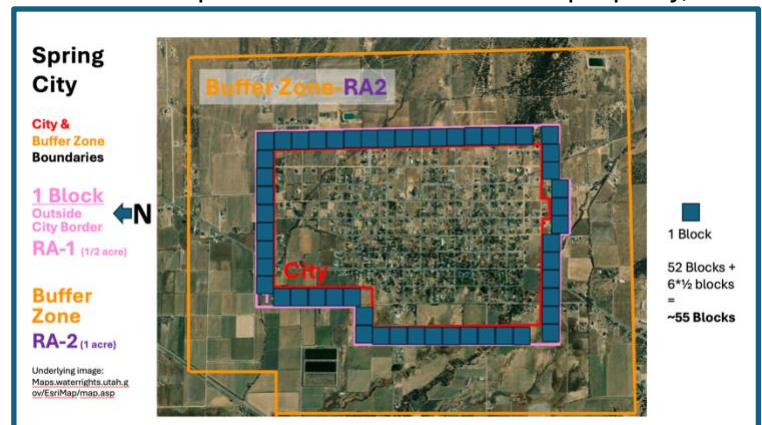
Right here would be and what was done was to try and get our arms around we're only one of two cities in the entire County that has just one acre lots around our buffer zone. All the other cities have half acre zones around it. It's called an RA 1 we have an RA2 which the entire buffer zone is only one acres.

So in this model right here we took a single city block and we just drew around it.

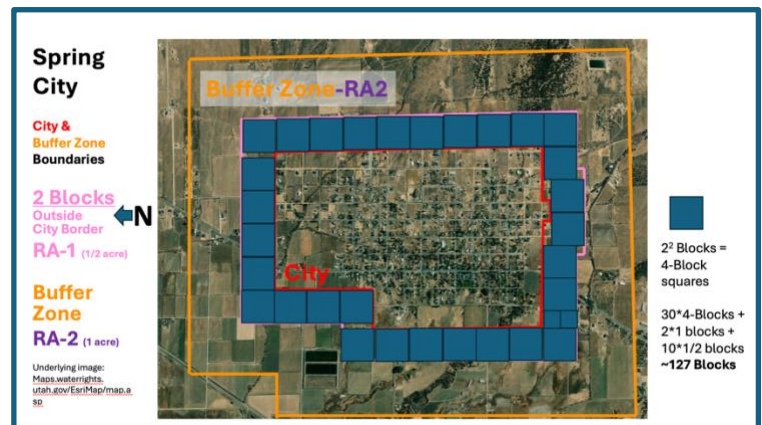


And then we counted how many blocks fit in that single City Block there's 55 of them which means if you wanted to sell 1 Acres you would times that by 4 if you wanted to sell half acres you times it by 8. But not quite, because you'd have to figure out roads and things like that.

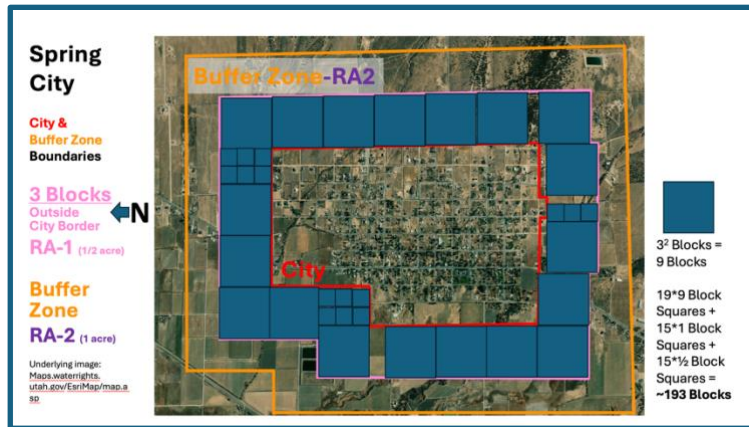
So the 1 acre perimeter has 55 blocks of property,



The two acre has 127.



The 3 block has 193.



And you can see the pink border is much broader here, narrower here, and very narrow here. That's really what we did this is a single slide that shows our modeling and that's really as far as we got to.

You can run the exact same models there to show the revenue, but we got to the point where we can just calculate the blocks, and we could very easily show the potential revenue.

Now the main rule remember is that they only would get to do this they would only get city services if they agreed to annex. Here are the Pros and Cons:

Pros & Cons: Buffer Zone Annexation

Pros

- Utility revenue increases, all on meters by city
- Expansion costs paid by developers
- Annexation fees charged to recoup City costs of annexation
- Impact Fees pay down Water / Sewer bonds by new residents
- Roads annexed add to Class C annual road fund for City
- Property rights of owner are preserved
- Full property tax charged

Cons

- Buffer Zone is growing with or without City taking advantage of benefits
- Costs for maintenance of utilities/roads increase for City
- Property rights of concerned neighbors are violated
- Zoning of County adjacent to city could adopt the city zone.

Slide 67 - Pros and Cons: Buffer Zone Annexation

PROS: The utility revenue and increases all would have to be metered unless it is an affordable or affordable housing model

All expansion costs are paid by developers.

Now the city has two initiatives (Water and Sewer Bonds): one that's approved, one that's still being debated and looked at.

We've got a couple of slides on those but there's been a lot of confusion around the Water one which is

approved and the Sewer one is not. The Sewer Project is still wet cement.

Impact fees, now that's important, because I we were one of the things that we accepted amongst ourselves, everyone says charge high impact fees charge high impact fees, for the first couple of weeks.

That's what everyone was telling us. That's how you pay for new projects, because what an impact fee does is it helps pay for a project like for example the Water Bond project.

If you raised impact fees it pays down that project faster than if just the city citizens, did it over 40 years.

So right now, the Water Project Bond the city citizens are obligated to pay that down over 40 years, but every impact fee pays it down faster.

If you look at it that way that's probably the simplest model to understand, that's also why we don't currently have a Sewer Impact fee, and we don't have a Road Impact Fee because we don't have any projects that were in the past, that they're paying off.

Now we found out how to get a Road Impact fee, we have to get a long-term plan for roads which is like table stakes, we all agree. There was some strong opinion on the committee about a general plan! Absolutely!

And we would but there's been some extremely detailed planning take place, the water plan's been going for five years.

The plan we were given when we started has been worked on a long time does it need more work? Absolutely! We were told when we were handed it that it needed more work.

But I was impressed with the amount of work that went into that and when in Cory talked about the plan that was submitted for the Historic District, he didn't tell you, it's 3,000 Pages. It's 3,000 pages.

There was some significant work that went into the Historic District application, I was very impressed.

Now notice the third bullet point up this is a great importance.

Pros & Cons: Buffer Zone Annexation

Pros

- Utility revenue increases, all on meters by city
- Expansion costs paid by developers
- Annexation fees charged to recoup City costs of annexation
- Impact Fees pay down Water / Sewer bonds by **new** residents
- Roads annexed add to Class C annual road fund for City
- Property rights of owner are preserved
- Full property tax charged

Cons

- Buffer Zone is growing with or without City taking advantage of benefits
- Costs for maintenance of utilities/roads increase for City
- Property rights of concerned neighbors are violated
- Zoning of County adjacent to city could adopt the city zone.

Slide 67 - repeated - Pros & Cons: Buffer Zone Annexation

If we were to Annex let's say a development that's already done into the city, we also get the roads. And those roads qualify, they would up the amount of Class C Road fund we get every year. So instead of \$120 grand a year, we get more. So, the more roads that we have that we're in charge of, we get more money. And if they're paved, we get a lot more than if they're gravel, and a lot more than if they're dirt.

And I spoke with a guy who is our contact for the Class C Road Fund, and he says it's possible to get those ratios (to calculate the difference between your own paved roads vs gravel, vs dirt roads) but every year the number changes.

Does anybody know why where does the road fund come from? It comes from the gas tax, and they don't know how much gas tax they're going to collect every year.

One element varies every year but the others we can at least know them, and we can factor it in and build a model.

Once we have the downside is whether the buffer zone is growing with or without the city taking advantage of the benefits and the cost for maintaining all these now falls upon the city.

If we annex in those roads, we now must maintain them. But we get money to do that. That's how this model works.

Again, the same issue property rights of owners versus property rights of neighbors nearby that will always be a balance and then same thing while the zoning of the county would adopt the city Zone

Okay let's jump into some final slides now, we're moving quick we're almost done, this was really interesting.

We decided to say, how do we get **property tax**?

Property Tax

Research project #1: Combine Property Tax / Historical info, by streets

Research project #2: Apply Property Tax calculations to Affordable, Multi-family, smaller lot size, and buffer zone models.

Research project #3: How does Spring City affect change in property tax?

City	Tax Rate
Moroni	0.1696%
Gunnison	0.1622%
Mayfield	0.1573%
Mt Pleasant	0.1555%
Fountain Green	0.1434%
Ephraim	0.1208%
Spring City	0.0951%
Manti	0.0828%
Fairview	0.0806%
Sterling	0.0564%
Fayette	0.0484%
Wales	0.0425%
Centerfield	0.0356%

Slide 68 - Property Tax Section - Sanpete County City Property Tax Rates 2023

And we went and we found out every single City on the tax rate that they charge their citizens through the property tax through the county. And notice where we are we're right in the middle, and actually that's last year. We're less than this I think we're just under 0.09%. Look at Moroni, which is pretty similar to us (in size) and they're double the rate of us.

We called the Treasurer of the County, and we asked them how does this work and they said, "Well we calculate, and we give you back a number based on what your budget says, but if you push back we'll change it." That's interesting.

We found that out, and some of these cities have pushed back and they have higher, and some have pushed back and they have lower. So that is variable. But if nothing happens, they calculate it and just give it to you every year. We could go either direction we could change it if we need to.

Utilities notice right up there. Electrical:

- 630 Electric Customers
- 472 Residential in City
 - 110 Out of City (17.5%)

Utilities: Electrical

Research project #1: Combine Property Tax / Electrical Billing info, by streets
Research project #2: Analyze Electrical Revenue Models by Historical, Lot Size, Affordable Housing, Multi-Family Housing
Research project #3: Analyze Electrical Utility installation by Lot Size

Slide 69 - Utilities: Electrical - Count of Customers in city and out of city

There are 630 electrical customers. 472 in the city, 110 out of the city. 17.5%. This is our biggest utility that we have users outside of the city and some are way outside the city. These are the 3 projects that we've done on electrical. We talked through each one of them.

Water: 518 total Customers.

- 518 Water Customers
- 448 Residential in City
 - 48 Out of City (9.3%)

Utilities: Water

Research project #1: Combine Property Tax / Water Billing info, by streets
Research project #2: Analyze Water Revenue Models by Historical, Lot Size, Affordable Housing, Multi-Family Housing
Research project #3: Analyze Water Impact Fee Revenue Models
Research project #4: Committee questions of Water Bond Project

Slide 70 - Utilities: Water - County of Customers in city and out of city

Notice there's only 48 out of the city. Water is harder to get to people than electrical.

We had some serious questions about the Water Bond project. We didn't know about it. We didn't know about the sewer project.

Utilities: Water

Research project #1: Combine Property Tax / Water Billing info, by streets
Research project #2: Analyze Water Revenue Models by Historical, Lot Size, Affordable Housing, Multi-Family Housing
Research project #3: Analyze Water Impact Fee Revenue Models
Research project #4: Committee questions of Water Bond Project

Magnified from Slide 70 - Water projects researched by Growth Committee

One of the very first things about the third week is we asked the water guy here [motioning to Randy Strate.]

“Would you take an assignment to go to Sunrise and ask them some questions?”

Probably our biggest one, because we were asked to find out, was how many lots [that we could service status quo]

One of the biggest things, we had a citizen night. Who came to the citizen night? [about 30 Citizens who were most involved]

We were upstairs and we talked a long time, we gave everybody three minutes, we were pretty good at keeping that, because we displayed the 3 minutes up on the wall.

But we recorded everybody's questions, and those questions drove a lot of our research.

But this was a huge question, and we asked [Randy Strate] if he'd go find out how much expansion would our existing water system support?

And the answer we got was 150 more units, and we would be about done. But then we heard about this Water Bond Project, and we researched it and asked [Randy Strate] “Go find out how many more it would support [with the expansion.]

Nobody had asked that question. And there's been a lot of concern saying that there was this big, huge plan to go make available a thousand hookups. That's actually where the question came from was our little committee wanting to know. Because we were accountable for this. Randy went and asked them. We asked him, “Before you go, what's your bet?” He said, “I'll bet we can probably do another 150.”

He came back and Sunrise said this would do 1000 new hookups, perhaps more!

So, this came from our little questioning sessions here it wasn't pre-planned by anybody for that.

Now of course growth was needed, but the interesting thing was one of the main things that was a catalyst for this years ago was the fire hydrants.



Slide 71 - Fire Hydrant Map of Spring City - Red is water pressure less than code, Orange is up to code, and Black is out of service - Internally tested

And Rick has been telling us and I was going to use your exact expression but I'm not going to, but he wanted to know when are we going to fix them?

I committed we'd bring that up when are we going to? and the red ones are those less than code. Now we double checked today, those are researched, those are internal designations.

There's not some quality control group. But the fire team went and looked, and they tested. The black ones don't work

The orange ones seemed to have enough pressure to meet our needs. You can see remember that that Oak Creek over there? [Top left of slide] That's where a lot of them congregate and then a lot down here so we have serious problems in certain areas with having water pressure to fight a fire.

So, a significant safety issue.

This is a summary of The Water Project.

City Culinary Water Project

- Culinary water system master plan issued June 2020 (Sunrise Engineering)
- Plan recommended all elements of the current expansion project
- City has obligation to maintain acceptable level of service
- Current system has deficiencies in meeting fire flow and pressure requirements
- City Council approved water base rate increase of \$18, June 1, 2023 in order to be able to secure Bond funding for project
- City Council approved water parity bond October 5, 2023
- City Council approved awarding project to Johansen Construction May 30, 2024
- City Council approved water base rate increase of \$5, June 22, 2024, to cover final loan obligation
- City signed bond loan for water project June 28, 2024
- Construction started August 2024
- Anticipated completion summer 2025

Slide 72 - City Culinary Water Project Summary

We tried to gather as much as we could. We wanted it in this documentation.

The master plan was issued in June of 2020 through Sunrise.

The Plan recommended all the elements of the current Expansion Project

The city has an obligation to maintain acceptable levels of service.

The other thing I understand is it's going to bring electronic metering, so that we can track how much water is being used.

When I was going through all your water bills (I've seen everybody's water bill) one of you had an average water bill of like \$58 and then one month \$3,600 and something dollars. Why? That was a leak. Now the city works with us a little bit on a leak but we're liable for that! "Whoa!"

So, there are some needs where that if there were metering, we could have found something like that real quick. We must have fire flow. The city council approved the water base rate increase of \$18 a month a couple months ago. The rate has already been approved.

I remember I was asked to do a lot of the analysis on the electrical not on this but I saw some of this and we were told we hadn't really investigated this in many years and the Mayor and the team responsibly, I felt, because we knew we had to improve some of this stuff, went back and looked at what would need to be done. And that initial \$18 raise was done.

The city council approved the water parity Bond October 5th last year.

They approved awarding the project in May.

The base rate went up another five bucks in June they signed the bond loan for on June 28th. For this year.

The construction started already in August, completed by next summer.

That's the Water Bond Project. it's underway and moving.

We didn't know about it. We should have. We didn't. We met in our committee; it was a surprise to our committee. But we did look, and it's been worked on for five years. And until a lot of the emotional discussion of these issues, I didn't come and look and open the trunk and see what was inside, like everybody else.

Sewer.

452 Sewer Customers

- 421 Residential in City
- 17 Out of City (3.8%)

Utilities: Sewer

Research project #1: Combine Property Tax / Sewer Billing info, by streets

Research project #2: Analyze Sewer Revenue Models by Historical, Lot Size, Affordable Housing, Multi-Family Housing

Research project #3: Analyze Sewer Impact Fee Revenue Models

Research project #4: Groundwater Concerns between Sewer & Septic Tanks

Research project #5: Committee questions of Sewer Bond Project

Slide 73 - Utilities: Sewer - Customer Count and 5 Committee Project Summary

There are 452 sewer customers and only 17 out of the City.

This is hard. I've done two of these little sewer projects and they have to dig down 12 to 14 feet.

There was a boulder the size of a of a large car that came out going up Fourth South. This is way more expensive than the water or the electrical is Sewer.

The Wastewater project has not been signed. It has not been approved. I do want to go back a little bit though. There are two big issues on the Water Project.

One quick but critical example, back to the water project, when this was originally looked at and bid out in 2020 guess how much it was going to cost?

2 million bucks.

Just the cost of materials labor and everything else bumped it first to 7 million and then about a year ago we had some with expertise [Randy Strate came on his own a year ago] come and look at it and one of the things they were going to do was dig another well down in the valley and pump it three miles up to a new tank.

And the question was asked why would we do that? When we have other water resources that are not being tapped? So that was removed. That lowered it from 7 million to 5 million. But it went from 2 million to 5 million in four years because of the cost differential.

The Sewer project. Wastewater.

City Wastewater Project

- City wastewater system master plan issued 2020 (Sunrise Engineering).
- City has obligation to implement wastewater systems to curtail ground water contamination.
- Current wastewater system does not provide connection options north of Oak Creek.
- Current proposed project design is at 90% (Sunrise Engineering).

- Current lagoon 3rd cell will need to be remediated prior to or at the same time as this overall project, but financed separately.
- Full funding for project has not yet been secured.
- Plan is to get to 100% design and put project out for bid early/mid 2025.
- Public meetings will be held prior to City Council consideration of project funding and final approval.

Slide 74 - City Wastewater Project Summary

Same basic time frame that was looked at. The city has the obligation to implement Wastewater systems to curtail groundwater contamination.

This is one of our biggest concerns. I understand though there's been research that septic tanks have come a long way in their technology. But we are pretty concerned with all these developments around the city that currently don't tap into City water or sewer.

They bring in wells and they bring in septic tanks around our water systems. That would be what causes us concern.

It's 90% done in terms of the proposal design.

It includes that third Lagoon we talked about the last meeting they had here.

That must be addressed the full funding for the project has not yet been secured the plan is to get 100% the design and put a project out for bid early next year.

The public meetings will be held prior to the city council consideration of Project funding and final approval. So that's what we were able to find.

Roads

Roads

Research project #1: Categorization of Spring City Roads for Map

Research project #2: Elements of Class "C" Road Fund allocation

Research project #3: Impact of re-routing traffic to I-89 in 1955 (minutes review)

Research project #4: Analyze Road Impact Fee Requirements

Slide 75 - Roads - Summary of 4 Committee Projects

This is we're like the last little bit here. This was interesting because we asked some questions there and before I go here, I want to thank Rick again. He brought a perspective that educated us on the committee.

One was because we were going to jump into the sales tax issue tax issue and wonder why we're not getting anywhere near the sales tax of Mount Pleasant for example.

I just ran the numbers with Dave Oxman's help [City Operations Manager for Mt. Pleasant, who consults with Spring City] and remember we get 100,000 a year in property tax.

We get 213,000 in sales tax. We get double from property to sales.

Mt. Pleasant gets 220,000 a year in property tax but they get 900,000 in sales tax. Four and a half times more than we do as a differential.

And you must ask, "Why did that happen?"

Now when I was asked to come in by you Mayor and look at the Economic Development projects, we were batting around all kinds of cool things we had we came up with 30 projects.

And that's when I opened my big mouth and got this dang assignment.

And it was really interesting because we looked at all kinds of ways, we could add more sales tax, but the biggest issue we got happened in 1955.

And that's when the state decided to build Interstate 89 running down that Valley to the west of us and bypass us completely.

We had like three grocery stores, we had a couple of gas stations, we had a lot more retail because we used to be like Mt. Pleasant and others where all the traffic went right down Main Street.

And we went back thanks to Roger Minert's help and we looked at the minutes, because there were all kinds of rumors that this was some conspiracy that they didn't want people here.

And we went back, and we looked at the minutes and our leaders fought it like crazy they said, "How could you do this to us?"

And so, when it was clear that we weren't going to move the chains on it at all, we negotiated to have Main Street paved, and that's what we got out of it.

But because of that we have two restaurants that can each open two meals a day. And that's because they're good and they can bring in traffic on their own.

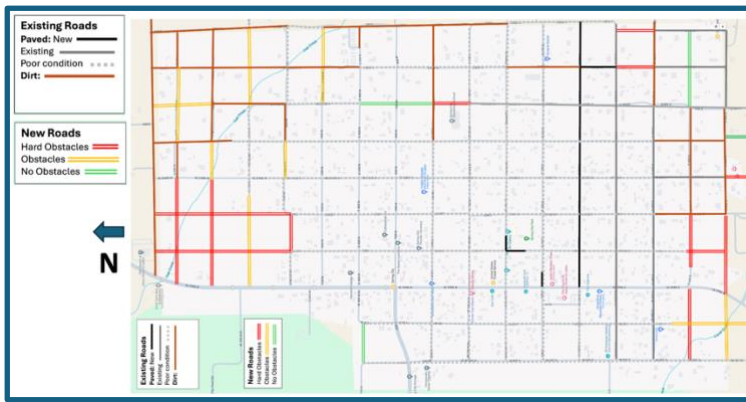
And that's something we must understand our model is very different. Now we have beautiful things like the artistic events and the historic events that bring people here. But we need to find ways to monetize them better.

That's what you see right there **the third bullet point the rerouting of traffic in 1955.**

That changed the entire game for us okay

Now here's the last major slide. It's hard to see. But it will be made available.

We went and we mapped out every single road in the city. The key is up there.



Slide 76 - Map - Existing and Potential New Roads

The black line is the new road that was just paved. I think it goes up 2nd South.

Existing are the gray ones. The dotted ones those are the ones where you grate your teeth when you drive them, and then the dirt roads are the brown ones.

The double lines are where new roads could be put in. Now remember, if we put in new roads, we get more money next year. Does this make sense? From the state, yeah.

So, they give you an allocation based on how many block feet of roads you've got and whether they're brand new paved or gravel or dirt.

And it's dramatically more for the paved, so obviously one of the things we might want to consider, and I know it's been considered in the past, is ask strategically, "If we were going to get more money next year would we pave a road and bring it into service that wasn't there before?"

Because now next year's allocation would be higher. That's how it works okay.

This map will be available in the slides so again key principles our whole goal is to preserve. Now we ended up because we were asked many times.

What could happen in **this battle between historic and property rights**, and all the things that entails, so we decided to go look at that.

Key Principles

1. Focus on the Facts
2. **Preserve & enhance Historic District**
3. **Preserve & enhance Property Rights**
4. Variable financial modeling with data
5. Citizen equity vs developer profits
6. Transparency & trust are two-way streets
7. Committee pro & con analysis
8. Growth is inevitable, planned growth is ideal

And this was given by Sunrise our consulting firm:

Common Law Property rights

"Furthermore, because zoning ordinances are in derogation of a property owner's common-law right to unrestricted use of his or her property, provisions therein restricting property uses should be strictly construed, and provisions permitting property uses should be **liberally construed in favor of the property owner.**"



Added by Sunrise Engineering

Patterson v. Utah City. Bd. of Adjustment

Sammons v. Village of Batavia, 53 Ohio App.3d 87, 557 N.E.2d 1246, 1249 (1988), see 83 Am.Jur.2d Zoning Planning § 977 (1992).

And so, we have to take this into account:

"Furthermore, because zoning ordinances are in derogation of a property owner's common-law right to unrestricted use of his or her property, provisions therein restricting property uses should be strictly construed, and provisions permitting property uses should be liberally construed in favor of the property owner." **Patterson v Utah City Bd of Adjustment.**

Now take that for what it's worth that was the data that we found on this research.

Okay that's it that's it.

I'm told we can talk if you guys have any comments, questions, or snide remarks?

By everybody appreciate yeah

Questions and Answers:

Mayor: Does the Council have questions for Ken. Does any members of planning zoning have questions? I think he's willing to entertain them.

Craig Paulsen: There's a lot of information

Ken: There's a lot

Craig Paulsen: That really, I think Planning and Zoning is going to need to be able to study.

Ken: and these models will be available you can just move the levers and change the data, and it will put out different variables

Audience: Will you have this on the website?

Ken: The website will have the audio and the summary. But just the basics on it. We're working to have this available I think the normal process with Zoom is audio with slides, correct? And the City Facebook page will have the video version of this that's as far as I as I know.

Any other questions from the City Council?

Mayor: We want to make it as available as we can yeah, we're researching the best ways to do that. I know there was some discussion on the committee about the minority reports, did they come in on time and by the right way. I think from my perspective we want to make sure everyone has all the information so we'll probably make all those minority reports available make sure the council members and planning and zoning members can read them.

Ken: And Mayor, we invited every Committee Member, we knew we would not come to a consensus by about the third week. And we felt very strong that the primary presentation should be factual only, but that everybody had the right to their opinions.

And we asked the committee, we said "Okay we can do it individually, everyone can give their own. Or we can do a subset group, and they can give their own. And that was made available we did have very clear guidelines by which those should be done. They were not met. So that was a great concern for us. We would have hoped they would have done it through the proper channels that we had set up.

But I've learned here that everyone's going to speak their mind no matter what and this is America, so I love that, so the words going to get out. But I do want people to know that we had asked that it be done through proper channels.

Mayor: I can appreciate that.

Barry Sessions: Mayor, so there was one other consensus in the it and that's that public opinion mattered.

Mayor: okay great.

Ken: Absolutely, thank you.

Joe Bennion: I just wanted to clarify. You had a slide that showed the different signs when sizes were legal yes there was one half acre in 2004. What happened then was that to the city council passed an ordinance allowing a half-acre. This was after having run a survey and a public hearing which is overwhelmingly opposed.

Ken: Who was on the City Council then?

Audience Member: Most of them are dead, they are mostly gone. but

Joe Bennion: I went to the county and with the help of the county clerk ran a petition campaign and got a referendum on the ballot to reverse that ordinance back to a full acre, that's why that half acre came in and this was the year that George W bush won his second term. It was a lot of people voted

Ken: Thank you for clarifying. That was a question we had.

Joe Bennion: And 70% of the people who responded in the official balloting were against the small acre.

And I am just getting back to what Barry was saying not only does public opinion matters in all the training meetings I'm got as a city council member and a Planning and Zoning commission member we have been taught that if you don't make public opinion the backbone of your policy, you're in trouble.

Ken: Sure.

Joe Bennion: So, I think that needs to just be remembered in all of this.

Ken: One of our recommendations would be to thoroughly examine the methods by which that's done so I think that would be important. But anything else Mayor?

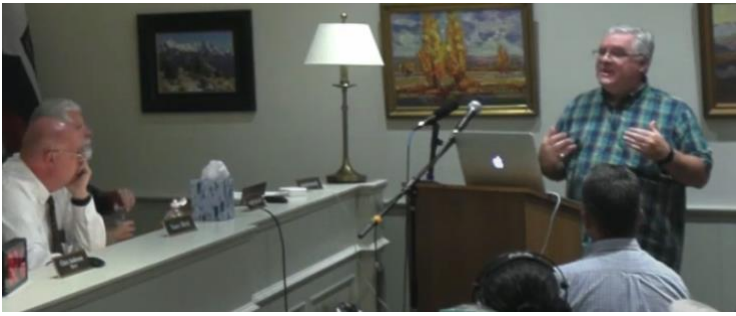


Image - Ken Krogue Responding to questions from City Council and Planning and Zoning

Randy Strate: When you were talking about the buffer zone, and Spring City said “No” to the development you kind of emphasized that the city can say no.

I want to make it clear the city can't say no to the development [outside the city] the city said no to providing utilities service right.

But those developments still go in the County and the County can still approve them because they're in the buffer zone. The county controls the buffer zone. The city just said no to providing utility service.

Ken: That's correct. I understand it's 100 acres. 70 potential lots. Somewhere between 30 and 35 wells and septic tanks and the county did not say no.

So that's all underway. The city only can decide whether it will benefit and have a say in what it's done or whether the County will. That's really it.

It's it happened anyway so that's one of the things that we note as our eight Key Principles is the growth going to happen, the question is whether we're able to shape it and take the benefits from it.

Anything else Mayor?

Mayor: Thanks. Any other questions from City Council members? I hope think take us some time to digest this. Now kind of what action we can take in response to that did we did we reach any consensus on the specific project that started this whole thing?

Ken: We haven't been very good at that word “consensus” in almost anything we've done.

Mayor: So, we'll have to kind of start from Ground Zero on that. Okay if nothing else from Planning and Zoning, thanks for your time. We'll make all this

information available, make sure all the Council members have it. Figure out where we go next.

Marty McCain: Would you take a motion to adjourn?

Mayor: Do I have a motion to adjourn?