

SPRING CITY WORK MEETING MINUTES

Wednesday, September 18, 2024, 7:00 p.m.

The meeting was held in the council room at Spring City Hall, 45 South 100 East, Spring City, Utah.

In Person Attendance: Whit Allred, Barry Sessions, Mike Black, Chad Huff, Christal Krogue, Richard Kimball, Christie Kimbal, Joe Gee, Ken Law, Dan Rasmussen, Rick Dyches, Neil Sorensen, Phil Wood, Brill Hernandez, Craig Paulsen, Mike Nelson, Joe Bennion, Gary Parnell, Jane Hawkes, Moroni Taylor, Suzane Taylor, Cory Seegmiller, Cami Christensen, Su Tullis, Jhan Miller, Bruce Spiegel, James Fleming, Clarke Christensen, Dave McEwan, Ms. McEwan, Kimberly Stewart, John Stewart "Tennessee", Tim Syme, Sonja Brown, Eve Martin, Janessa Dyches, Alran Romus, Tyler Chlarson, Aaron Sorensen, Scott Moser, Briane Allred, Threesa Cummings, Aaron Clinger, Tom Brunner, Becky Brunner, Kat Caldwell, Yvonne Wright, Daniel Cook, Ruth Bergener, Lyn Robison, Dean Butterfield, Tracy James, Bradford Van Dyke, Jaki , Dale Lewis, Lance Martin, Laurence Gardner Lana Gardner, Richard Butterfield, Mark Jones, Ruth Ann McCain; Recorder.

Zoom Attendance: Kimberly Sorensen, Melanie Cook, M'Lisa Paulsen, Cynthia De Grey, Alison Anderson, iPhone, Jason Griffith, Cory Madsen, JaeLynn's iPhone, Aaron & Anne Osborne, Phil, Kim Crowley, Shela, Brittany's iPhone

City Council Roll Call: Randy Strate, Marty McCain, Nancy Allred, Chris Anderson, Courtney Syme, Paul Penrod

Planning and Zoning Roll Call: Cami Christensen, Gary Parnell, Joe Bennion, Craig Paulsen

Community Growth Committee Roll Call: Ken Krogue, Cory Seegmiller, Eve Martin, Jane Hawkes, Barry Sessions, Sonja Brown, Rick Dyches, Brill Hernandez

Expression of Choice: Thressa Cummings

Pledge of Allegiance: Chris Anderson

Community Growth Committee Presentation

Mayor Chris Anderson stated that this is a work meeting where the Community Growth Committee will give their report. Ken Krogue, as the chair of the Growth Committee, will be the presenter, as well as Cory Seegmiller as the co-chair. Mayor Anderson stated that there will not be public comments but if the Council or Planning and Zoning has a question the committee is welcome to respond. Ken Krogue stated that for four months, they have met almost every Tuesday. In June, a motion was made to create this committee and have them report in four months. The committee is fairly balanced, and geographically covers a big chunk of the city. Mr. Krogue stated the first thing he did was meet with Craig Paulsen, who gave him papers and

maps, walked him through things and talked to him about the General Plan. After looking at the General Plan, Mr. Krogue had Mike Hansen from Rural Community Consultants look it over. Mr. Hansen gave 20 recommendations. This seemed to be a massive scope, so he went back to the committee charter language which includes “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 the development of homes for residents of various income levels, and providing input regarding potential revisions to the recently adopted Spring City ordinance regarding the creation of a new residential multifamily zone.” Simplified: smaller lot sizes, affordable housing, multi-family housing, growth in the city, and growth around the city (the buffer zone). Mr. Krogue stated that he will be going over the following key principles that the committee took at the beginning: focus on the facts, preserve and enhance the historic district, preserve and enhance property rights, variable financial modeling with data, citizen equity vs developer profits, transparency and trust are two-way streets, committee pro and con analysis, and growth is inevitable, planned growth is ideal. Mr. Krogue stated that they found within the committee it was still emotional, and rightly so. The goal was to represent different opinions as well as geographies in the city. First, they wanted to preserve and enhance the historic district but the argument that kept coming up was property rights and the balance between property rights of the owner and property rights of neighbors. Mr. Krogue stated that models have been built with the data that has been collected. Interviewed citizens said the recommendation for transparency and trust was very important, and that this needs to be a two-way street. The committee agreed on the pros and cons of the recommendation and they will be disclosed later. The general methods used were to be objective and address the immediate challenge of growth that Spring City is facing. Maps, interactive maps, and models where variable can change have been used and will be shown. The data received came from multiple channels and sources. These will be available, along with the tools, so that they can be used in the future. Mr. Krogue stated that the focus was the financial benefits to both Spring City and the citizens, noting that they are many intangibles. The primary revenue of Spring City was looked at, but on some things the data was not clear, like sales tax and road funds. The variables are not always known on these, so an average was taken of the last three years. They then looked at Spring City and surrounding cities to see where we fit in with population, growth, density, and area. Spring City is not more populated, we are one of the faster growing cities, and we have low density compared to other noteworthy cities. Mr. Krogue stated that they made a GRAMA (Government Records and Management Act) request with the county and got every single property tax record for all lots in the city. They found that there are 670 lots and 455 homes – this does not include governmental and religious structures. The average person per home in the city is 2.26. There are 111 owners that own more than one lot, and 34 own more than two lots. There are 212 historic buildings, 243 non-historic homes, 196 vacant lots, and 40 of those vacant lots are considered a green belt. Mr. Krogue stated that the main goal initially was to preserve and enhance the Historic District. Cory Seegmiller contacted the state Historic Preservation

Office. Mr. Seegmiller stated that he and his family represented some of the new growth occurring in Spring City and they love it here. He asked for the assignment to learn about the Historic District being someone who likes to read and understand things. Mr. Seegmiller stated that he reached out to the state Historic Preservation Office and asked the following questions: is the National Historic Register still active for Spring City? If so, where can he find some documentation related to it. 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? Is there anything that Spring City needs to do or not do to maintain its Historic Register status assuming that it is still active? The answers Mr. Seegmiller received from Cory Jensen are as follows: Spring City's National Historic District is active and began in 1980. It was renewed in 2022. 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). To maintain the National Register listing status is fairly easy—the district must maintain the characteristics for which it was found to be significant. As long as the majority of the properties retain their historic integrity (meaning major alterations to the buildings) and demolitions are kept to a minimum, then we should be okay. Mr. Seegmiller stated that after he received these answers, he asked the following questions: 1) We still have a fairly large number of empty lots in the city. If those were developed, would that development pushed the percentage of historic homes below 50% of the total buildings in town, how would that impact the Historic District Designation? How often does the National Historic District Historic Register status have to be re-evaluated? Mr. Seegmiller stated that the answer to these questions are that there's no period of time 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 of time, the original Historic District was put in place in 1980, and it was renewed in 2022. Mr. Seegmiller stated that he was asking open-ended questions, like does lot size matter? Does population density matter? Does the ratio of new construction to historic buildings matter? How much do these things matter? The answer he received was that growth is just a natural part of any city and you're not going to hurt the Historic District through growth. The only thing that we could do to negatively impact the current Historic District status is to knock old buildings down which we're not going to do. Mr. Seegmiller stated that the city is free to adopt a growth plan that meets the needs of the city without concern of what will come of the Historic District Designation. Mr. Krogue stated that their goal was to enhance the Historic District as much as possible. He shared maps and models of the city with the original Historic District, the Historic District now, and stated that they looked at the percentage of historic homes versus non-historic homes in that existing boundary. They also used the model to see where in the city has a richness of historic properties. Mr. Krogue stated that the highest saturation of historic properties is from 4th North to 4th South. The full one block on either side of Main Street has a saturation that is 82.4% historic. The models and maps show the information out to the edges of town. (The slides are in the handouts.) Mr. Krogue stated that if the city wanted to create a Historic District zone or a Preservation zone, this information could help show where that could be. The next mission looked at was what

could be done with smaller lot sizes. This addresses property rights – owners and neighbors. The history of change was found to be that from 1852 to August 7, 1979, you could have any lot size. From August 7, 1979, to May 5, 1987, one third of an acre was required. From May 6, 1987, to October 31, 1993, one half acre was required. From November 1, 1993, to April 5, 2004, 1.06-acre was required. From April 6, 2004, to November 1, 2004, one half acre was required. From November 1, 2004, to the present, 1.06-acre is needed. A model was made showing houses by lot size. Mr. Krogue reminded the Council that there is no commentary in the report, just data. The next model with data was financial. Mr. Krogue walked through property tax, and utilities, and numbers for an average home in Spring City. The same thing was done with valuations on 1.06-acre lots and .5 acre lots. Again, the slides are in the handouts. Mr. Krogue stated that the pros & cons for the lot size less than 1.06 acre are as follows: Pros – lot size does not affect Historic District status 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. Mr. Krogue stated that charter number two was affordable housing for residents of various income levels. Maps were shown of the 2 1/2-acre lot that started this discussion and of the existing trailer court. Mr. Krogue stated that the land of the existing trailer court is 2.46 acre with 16 trailers, a home, and a steel building. The land value, out of the property tax records, is just under \$400,000. Spring City makes \$222 a year off the ground because only the house qualifies for property tax, and the utilities for the trailer court per year are \$35,000. A question brought up was if there were significant differences in crime with affordable housing, low-income housing, and moderate income housing, and Jane went to a couple of cities nearby to find out. In 2 1/2 years there's been a total of 14 trailer court police incidents out of 1100 which is .45% and they are 2.5% of the homes. Chester had 54 police reports, 14 were at the trailer court, which makes it 26%, but there are 49 trailers. Ephraim has two trailer courts, 10 multifamily complexes and over 9 1/2 months and there were 27 police reports zero in the trailer courts. Mr. Krogue stated that Barry researched how Spring City compares with other cities particularly with multifamily, lot size, and trailer parks. It was found that three local cities don't have trailer parks. Two of them do have multifamily. Fairview has an ordinance, but it is not assigned. They also looked at lot size that is 10,000 square feet which is just under a quarter acre. A model was made for both the proposed trailer court and the multifamily. The map for these can be found in the handouts. Mr. Krogue stated that the property tax for 20 trailers would be \$100 because they are not permanent structures. Impact fees would be able to be collected but that is a one-time fee, and the utilities. The pros are the utility revenue increases more if metered by the City, impact fees, property rights are preserved, and affordable housing options available. The cons are the city cannot regulate who lives there, property tax, potential devaluation of neighborhoods property, the county could rezone to accept affordable housing. A model to control growth was presented with the 455 total homes now in Spring City. If 5% growth was allowed the number of new homes would be 23. If 10% growth was allowed the number of new

homes would be 46. If 15% growth was allowed the number of new homes would be 68. For multifamily housing a map of how the houses would sit on the land with how parking would be handled was shown. Mr. Krogue stated that they went and took pictures of one of Phil Wood's duplexes in Mount Pleasant and showed a photo of it. It has three bedrooms and two baths on each side. The model for the duplexes shows property tax for eight buildings would be \$2,928, the impact fees and utilities would be for 16 units. The pros are utilities, impact fees will help pay down the bonds, property rights of owner are preserved, full property tax charged, multifamily housing options available. The cons are no regulation of people who rent, potential devaluation of property values of neighbors, property rights of concerned neighbors are violated, the county may adopt the multifamily zone. Mr. Krogue stated that citizen equity means if you own land, that becomes your own savings account. This model consists of all the vacant lots in town, which range from one big 18-acre lot, that is a green belt, to smaller lots that are one acre or less. The smaller lots, if subdivided, would benefit citizens and not big developers. If 1.06 acre lots were to split there would be a potential of 525 lots. If 2% of the citizens decided to subdivide and sale that would be 11 lots. The revenue of new homes for the city would be \$21,000 for the first year because of impact fees and \$28,582 annually. Mr. Krogue stated that 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. What needs to be considered is that the buffer zone growth is going to happen. The question is, do we let the county have the benefits or do we let the city receive the benefits? Mr. Krogue stated that growth is inevitable, planned growth is ideal, and showed models of planned growth around the city. Spring City is one of two cities in the county that has a 1-acre lot zone around the city. It is called Ra2 zone. Other cities have a Ra1 zone which is 1/2-acre lot. In the model, single city blocks were outlined around the city. There are 55 1-acre blocks, 127 in 2-acre blocks, and 193 in 3-acre blocks. The models show the revenue for potential growth, remembering that those in the buffer zone will only have city services if they annex. All expansion of services must be paid for by developers. Mr. Krogue stated that there are two initiatives being debated, the water bond which has been approved, and the sewer bond. Impact fees will help pay down the debt faster. There has been detailed planning like the Historic District, the water plan and the General Plan. Work has been done but more work needs to be done as well. A pro for annexing is that the Road Class C funding will increase. The con is that if annexation takes place, we also must maintain the roads as well. The pros and cons of property owners are the same as stated before. Mr. Krogue stated that looking at the property tax, Spring City's tax rate is in the middle when looking at all the cities in the county. After calling the county to find out how the tax rate works, they were told the county gives the cities back a number based on what the city's budget says. If a city pushes back, they will change it. Mr. Krogue stated that the city has 630 electrical customers, 472 are in the city and 110 are out of the city, 17.5% of the users are outside of the city. There are 518 water customers, and only 48 are outside of the city. The committee did not know that there was a water and sewer project when they started. Randy Strate was given the task of asking Sunrise Engineering how

many water connections our current water system would support. The answer was that it can support 150 more units. After learning about the water bond Sunrise was asked how many the new water project would support. Mr. Krogue stated that there has been concern that the city is making 1,000 hookups available. This information came from the committee. When Randy was asked to find out how many new connections would be available, he was asked how many he thought would be available. Randy's answer was that he thought 150 more connections would be available. Everyone was surprised when Sunrise said that perhaps 1,000 more connections would be available. The committee found that one of the main catalysts for the water project was fire hydrants. Mr. Krogue showed a map of the fire hydrants that are colored coded to show if they have good pressure, low pressure, or not working. Mr. Krogue gave a summary of the 2020 Master Plan stating that the city has an obligation to maintain acceptable levels of service and that this will bring electronic metering to track how much water is being used. For the water project the council approved an \$18 rate raise 18 months ago, on October 5th of last year the bond loan parameters were approved, in May of this year the awarding of the project was approved, and in June the base rate went up \$5 more. Construction began in August and is projected to be completed next summer. Mr. Krogue stated that when the water project was originally looked at in 2020 it was going to cost \$2 million. The cost of project now including materials, labor and everything else is \$7 million. The plan included digging a well and piping the water three miles to a new tank. It was decided to try and tap into other water resources above town. That lowered the project to \$5 million but the cost differential went up \$5 million from the original \$2 million in four years. Mr. Krogue stated that there are 452 sewer customers and only 17 customers are outside the city limits. Sewer is more expensive than electrical or water to put in. The sewer project was started in the same timeframe. He quoted "the city has the obligation to implement wastewater systems to curtail groundwater contamination." Technology has come a long way but there is a lot of concern with septic tanks around our water system. The design is 90% completed, and includes the third lagoon, the full funding has not been secured, the project should go out to bid early next year, and public meetings will be held prior to the City Council consideration of the project funding and final approval. Mr. Krogue thanked Rick for a perspective that educated the committee. When trying to understand sales tax and why Spring City is not receiving as much as Mount Pleasant. They found that the biggest issue happened in 1955 when the state decided to build Interstate 89 running down the valley to the West of us and bypass Spring City. Looking back in the minutes our leaders fought like crazy asking why they would do this to us. When it was clear that we would lose 89, paving Main Street was negotiated. We have two amazing restaurants, and great events here but that is all. Mr. Krogue showed a map of all the roads in town that showed the condition of the road. He stated that the city may want to consider paving a new road and bringing it into service to increase the next years allocation of funds. In the battle between property rights the following statement by Sunrise Engineering was found and quoted "Furthermore because zoning ordinances are in derogation of a property owners 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.” Mr. Krogue stated that the models will be available to the city. Craig Paulsen stated that it will take Planning and Zoning a little time to go over the data. Mayor Chris Anderson stated that we want to make this information, and the minority reports available and will be working on various avenues to do that. Mr. Krogue stated that by the third week it was clear that the committee would not come to a common consensus, but they felt strongly that everybody had a right to their opinions. Barry Sessions stated that there was one more consensus the committee came to and that was that public opinion matters. Joe Bennion stated that the small time when the lot sizes were 1/2 -acre is when the City Council passes an ordinance allowing 1/2-acre lots, after having run a survey and having a public hearing in which it was overwhelmingly opposed. He, Mr. Bennion, worked with the county clerk to run a campaign and got a referendum on the ballot to reverse the ordinance. In the training he has received as a City Council Member and a Planning and Zoning Commission Member taught him that if you don’t make public opinion the backbone of your policy you are in trouble. Mr. Krogue stated that one of the recommendations is, that the Council thoroughly examine the methods by which that is done. Council Member Randy Strate stated that when Mr. Krogue talked about the buffer zone and that Spring City said no twice to the developer. It was emphasized that the city can say no. He wanted to make it clear that the city can't say no to the development. The city said no to providing utility service to those developments. The county still approves development in the county. Mayor Anderson stated that it will take a little bit to digest the information and asked if a consensus was reached on the specific project that was asked of the committee. Mr. Krogue stated that they have not been good with the word consensus.

Council Member Marty McCain motioned to adjourn. Council member Nancy Allred seconded the motion.

Adjournment: 8:27 pm

APPROVED

