

Minutes of the Hurricane City Council meeting held on October 17, 2024, in the Council Chambers at 147 North 870 West, Hurricane, Utah at 5 p.m.

**Members Present:** Mayor Nanette Billings and **Council Members:** David Hirschi, Kevin Thomas, Clark Fawcett, Drew Ellerman, and Joseph Prete.

**Also Present:** City Manager Kaden DeMille, City Attorney Dayton Hall, Police Deputy Chief Kurt Yates, Public Works Director Mike Vercimak, City Planner Gary Cupp, Assistant Planner Fred Resch III, City Engineer Arthur LeBaron, Building Official Larry Palmer, Water Superintendent Ken Richins, Parks Superintendent Darren Barney, and City Recorder Cindy Beteag.

## AGENDA

### 5:00 p.m. Pre-meeting - Discussion of Agenda Items, Department Reports

Fred Resch III attended a conference last week, where he gained valuable insights regarding the new housing requirements.

Gary Cupp provided updates on several ongoing projects. They are currently working on the water element for the General Plan and actively pursuing grants. Discussions are underway with the original consultant as they move forward with the Downtown Master Plan. He also mentioned upcoming Land Use Code amendments, including establishing rockfall hazard zones, restricting short-term rentals in commercial areas, making exceptions for medical helicopter take-offs and landings, adjusting zoning to accommodate the City Civic Center, and continuing discussions on domestic lot splits. He reported that the applicant for Canyon Villas reached out after learning they need City Council approval for the final site plan due to it being a park model development. The applicant expressed concerns about returning to the Council despite having signed construction drawings. Mr. Cupp reassured him that it is just a housekeeping matter and should not cause any issues. The Council then discussed potential changes to the code to avoid this step in the future. Drew Ellerman suggested not requiring the final site plan to return to the Council but instead adding an expiration date to the preliminary site plan. Dayton Hall recommended aligning this process with the subdivision approval method. Mr. Cupp suggested following the same procedure for a regular site plan. The Council agreed that the preliminary site plan should first go to the Planning Commission and then to the City Council, with an expiration date added to ensure timely progress. Once the construction drawings are ready, the JUC and City staff would have the authority to approve the final site plan, provided it aligns with what was initially approved, eliminating the need for it to return to the Council for final approval. Councilman Ellerman also confirmed that they are still working on the residential/commercial ratio for mixed-use commercial developments and parking requirements for multifamily housing.

Arthur LeBaron reported that construction is underway for a new traffic signal at SR-9 and 1400 West. Additionally, a regional bus service connecting Springdale and St. George will begin on November 1st, with stops at Walmart and near Dairy Queen. The fare is set at \$5, but riders will

have the option to purchase a pass for unlimited travel. More details will be shared with the public soon, and the route will be available on Suntran's website. Mayor Billings signed the final right-of-way property acquisitions for 1100 West, with plans to fulfill the purchase agreement commitments by next spring. Lastly, Quail Lake Road has been paved, and the contractor is finalizing the remaining details.

Mike Vercimak mentioned that in the past two weeks, the JUC has approved seven plans and held two preconstruction meetings. Staff is currently preparing the five-year road plan, which will be presented to the Council at the next meeting. Councilman Hirschi asked for information on what businesses are being built in the City.

Ken Richins reported that the Sky Ranch test well is not functioning as expected. As a result, Willowstick was hired to explore other potential well site areas. They identified three promising locations for future wells, offering recommendations to test these new spots. They use a process that involves using light radar data to detect drainage patterns, followed by the use of micro-seismic resonance instruments to locate fractures or anomalies. Willowstick completed their field work today, and staff is inclined to proceed with testing the other locations, especially given Willowstick's 95% success rate.

Darren Barney stated the splash pads have been closed for the season and will be winterized next week. He addressed numerous complaints on social media regarding Hall Park over the weekend, explaining that they have faced ongoing issues with the park's irrigation system throughout the summer. Despite replacing all components, the system continued to malfunction, requiring manual watering, which has left the park in rough condition. Some shrubbery may be lost, but they are actively working to resolve the issues. He also noted an uptick in vandalism at the parks, but thanks to the police, the perpetrator has been caught. Crews are currently busy spraying, and they'll soon begin managing the fall leaves.

Larry Palmer shared that Ace is paving their parking lot today and has already begun stocking merchandise. They are still aiming for a grand opening on November 7th. Since the previous meeting, 1 commercial permit, 26 single-family permits, and 1 townhome permit have been issued.

Kurt Yates mentioned they've been busy with UTV events in the area, with Trail Hero taking place last week and UTV Takeover happening now. He highlighted the excellent cooperation with DNR, which has brought in additional support. They also transitioned to the new radio system, Harris, today. While it's been a significant effort and a learning curve, the switch has gone smoothly without any major issues.

Kaden DeMille extended an invitation to everyone for the gym's grand opening on Monday at 5 p.m. He also announced that Dumpster Days will take place from Monday to Wednesday at the four usual locations.

**6:00 p.m. - Call to Order –**

Mayor Billings welcomed everyone and called the meeting to order.

Prayer, thought, and Pledge led by Drew Ellerman

Declaration of any conflicts of interest

None declared.

**Public Forum – Comments From Public**

No comments.

**NEW BUSINESS**

1. Consideration and possible approval of a Proclamation designating October 23- 31 as Red Ribbon Week - Perk Matteson, The Elks National Drug Awareness Program

Mary Ann Novack, Wayne Barnes, and Jane Wright from the Elks were in attendance. Ms. Novack shared that Red Ribbon Week originated in 1985 in memory of Kiki Camarena, who was tragically murdered by the Mexican Cartel. His hometown initiated this tradition in his honor, and in 1988, President Reagan officially designated it as a national week. She highlighted that the Elks organization dedicates their efforts to this cause throughout the year. The Council expressed their gratitude for their ongoing work.

Clark Fawcett motioned to approve the Proclamation designating October 23-31 as Red Ribbon Week. Seconded by David Hirschi. Motion carried unanimously. Ms. Novack read the proclamation.

2. Consideration and possible approval of a new hangar lease for 8 S 3 E – James Rosser

Dave Houston explained that James Rosser acquired the hangar approximately three years ago but has yet to obtain a lease, as he hasn't utilized it until now. The Airport Board has unanimously recommended its approval.

Clark Fawcett motioned to approve the hangar lease for 8 S 3 E. Seconded by Drew Ellerman. Motion carried unanimously.

3. Consideration and possible approval of a new commercial use and SASO lease for hangar pad 2 N 3 E - Scott Stratton

Dave Houston stated Scott Stratton received approval to build two private hangars just north of Stephen Lemmon's hangar. He is now proposing an additional hangar intended for commercial use, which will allow him to lease space to other pilots. Dayton Hall mentioned that staff was waiting for some information to finalize the lease, but it was received yesterday. The intended use of the new hangar is for aviation storage. He explained that, similar to Mr. Stratton's previous lease, the proposed lease does not require that the tenant obtain a building permit until four years after the lease is signed, which is what Mr. Stratton is requesting again. He

plans to water settle the land due to its collapsible soil. Mayor Billings clarified that lease payments will begin immediately, regardless of the hangar's construction timeline. The lease is set for 20 years, and the Airport Board has unanimously recommended its approval.

Kevin Thomas motioned to approve the new commercial use and SASO lease for hangar pad 2 N 3 E. Seconded by Clark Fawcett. Motion carried unanimously.

Dave Houston mentioned the airport will be closed on the 25<sup>th</sup> from 8-5 for repainting. He thanked the Council for allowing the AWASP system to move forward. The Airport Days was held and had a good turnout.

4. Discussion and clarification on the desired zoning for parcels H-3-1-32-312, H-3-1-32-341, H 3-1-32-342, H 3-1-32-343, and H-3-1-32-344 - Skylar Stewart

Mayor Billings shared that she had been in contact with the developer regarding the zoning for the property in question and sought feedback from the Council on their proposed changes. Skylar Stewart explained that the developer initially attempted to designate Parcel A as planned commercial, but that request was denied. They are now proposing to designate Parcel A for high-density residential use and switch Parcel B, currently zoned for mobile homes and RVs (MH/RV), to commercial use. He noted that the shape of Parcel A presents challenges for commercial development. Mayor Billings mentioned that the city is currently updating its code to prohibit short-term rentals in commercial zones, which has been a concern for the Council, and emphasized that this should not be included in the proposed use. The Council expressed general support for designating Parcel B as commercial, but there was hesitation regarding the high-density proposal for Parcel A. Clark Fawcett inquired about the height restrictions, to which Mr. Stewart responded that the buildings would likely be limited to two stories and a maximum height of 35 feet. He also pointed out that improvements to 100 North will impact a significant portion of Parcel A.

Drew Ellerman expressed that both townhomes and vacation rentals would have similar appearances, so he would be comfortable supporting either option. However, he emphasized that the city is facing a housing shortage, and allowing RM-3 zoning would provide much-needed living spaces and act as a suitable buffer. Dayton Hall reminded the Council that no decision could be made that night because the public noticing and Planning Commission recommendation procedures for a zone change application had not yet occurred. David Hirschi voiced his opposition to changing Parcel A's zoning. Mr. Stewart clarified that the proposal was intended to be a package deal. If that were the case, Councilman Hirschi indicated he would not support changes to either parcel. Kevin Thomas noted that the switch to commercial for Parcel B would represent a compromise that could work better. Councilman Ellerman pointed out that commercial development on Parcel A would struggle because it would be positioned behind other commercial buildings. Gary Cupp commented that, from a planning perspective, Parcel A would be an ideal location for multifamily housing. Joseph Prete stated that while he is not

opposed to multifamily development on Parcel A, he was not in favor of RM-3 zoning. Councilman Fawcett inquired whether RM-2 would be a viable option. Mr. Stewart replied that they could explore that possibility, but he was unsure if it would be feasible given that 100 North would be entirely constructed on Parcel A. Councilman Ellerman added that he was more inclined to support higher density due to the significant land sacrifice for the road. He believed the proposal would yield a better product for both parcels. If the Council were inclined to grant the zone change increasing the density with the assumption that the applicant would bear the full cost of the master-planned road, Mr. Hall suggested that a development agreement should be approved in conjunction with the zone change to memorialize that assumption and condition.

#### **OLD BUSINESS**

1. Consideration and possible approval of a bid to construct phase 1 of the City's irrigation expansion project - Ken Richins

Mayor Billings read the following summary that was provided in the packet written by Ken Richins. "The Water Department is asking the City Council to issue notice to proceed to Interstate Rock for the phase 1 irrigation expansion pipe project for \$7,859,191.00. After issuing notice to proceed Interstate Rock has agreed to allow the city to reconfigure the project through a change order. The change will allow the city to complete phase 1 within our budgeted funding. Also, with the reconfiguration we will have an operational system while we are waiting for the additional NRCS funding to be allocated for phase 2 of the piping project. Another reason for the reconfiguration of the project is because we need to work around the canal system, some work needs to be completed when the canal is off during the winter."

Joseph Prete began by acknowledging that they had previously paused the project while awaiting funding, and he asked if the situation had changed. He wanted to know if funding had been received and, if not, whether they were essentially still in the same position as before. Ken Richins responded, explaining that the funding is still in limbo due to government delays, but NRCS has applied for the funds. He clarified that the situation isn't the same as before because they have now reconfigured the project and will apply for change orders. Even if the funding doesn't come immediately, they will still have a functional system that can be expanded in the future. Councilman Prete followed up, asking whether there was a concern that the funds already committed might be affected if the entities providing the funds learned the project had changed. Mr. Richins reassured him, saying that there is enough money to complete the ponds and Phase 1, and that money is secure. He believes they will have a better chance of securing additional funding once the project has started and progress is visible. Clark Fawcett asked whether they had consulted Lance Smith at NRCS about the changes to the plan. Mr. Richins explained that two meetings ago, Mr. Smith confirmed that NRCS is fine with proceeding however they choose. Mayor Billings affirmed that the City already has funding for Phase 1 and the ponds. She warned that if they don't begin spending by June, the funds from the Board of Water Resources will be lost. She expressed confidence that the additional funding

for Phase 2 would come through within the next few months. Councilman Fawcett voiced his preference to have something in writing from NRCS confirming that they will continue funding the project even with the proposed changes. He also questioned whether they should get confirmation from the Board of Water Resources, as both entities originally approved the entire project, not just in phases. Mr. Richins explained that the project was always meant to be completed in phases, but the phasing strategy is what they are proposing to change in order to ensure they have a functional system. Glen Carnahan from Alpha Engineering added that they have been in communication with NRCS, but nothing has been put in writing yet. Mayor Billings asked how the proposed changes would affect the number of connections compared to Phase 1 of the original plan. Mr. Carnahan stated that the original plan allowed for around 700 connections, while the revised preferred proposal would only allow for 166 connections.

Kaden DeMille pointed out that the project could no longer be considered "Phase 1" since components are being taken from each bid. He expressed concern about a map that wasn't included in the packet, which he believes is crucial. As part of the funding, the project includes two wells and a tank, along with the rest of the system. He noted that the Gould's Wash Well is not up to culinary water standards, and based on the map, he didn't see a connection to that well, which he feels should be part of the project. Mr. Richins responded that incorporating the Gould's Wash Well would add another \$900,000 to the project. Although it has been designed, the team tried to stay within budget. Mr. DeMille questioned what would happen when the Board of Water Resources learns that, although the well is drilled, it is for secondary water and not primary culinary water. Until additional funding is secured, it would remain an unused capped well. Mr. Richins acknowledged that this is the "leap of faith" previously discussed. However, Mr. DeMille expressed concern that the City would end up with an asset that cannot be used, which represents a significant risk. He noted that \$1.5 million was allocated to the well, with approximately \$160,000 already spent, and emphasized the importance of ensuring this investment doesn't go to waste. Mr. Richins added that drilling an irrigation well is less costly than a culinary well. Mr. DeMille concluded by stressing the need to address the missing connection to avoid losing the funds already committed. There is currently about \$3.9 million in impact fees, though some of that is earmarked for the Arlington Parkway line. It is estimated that \$2.8 million will be needed for what's being proposed today. He expressed concern about the ongoing payments, stating he doesn't see any immediate financial savings by moving forward with the project right now, though there will be water savings. The Dixie Springs Well is where significant financial savings are expected, but it's not yet complete. Councilman Fawcett noted that the packet includes details on how much has been collected for this project. Mr. DeMille clarified that while the packet provides revenue figures, it doesn't account for expenses, so it doesn't reflect what funds are truly available. He estimated around \$640,000 in available funds, as some excess water savings have already been used for operations. He pointed out that, based on the current proposal, the City would be installing a \$16 million project to serve only 166 people out of the originally planned 700, which could become a political issue, as only some residents would receive service. He explained that staff is proposing to take portions of each bid and outline where lines will be placed on a map. He also

raised concerns about what would happen if the City doesn't receive additional funding from the NRCS. Originally, all users were expected to contribute toward the bond payment, but with only 166 connections, it's unclear if that would be enough to cover the costs. He acknowledged the need to shut down the water pipes for the winter, particularly to install a line on 1300 South, which can only be done when the system is offline. His proposal is to continue with the piping within the City and address 1300 South during next year's winter season.

Mr. Richins invited the Council to attend a Canal Company meeting, explaining that this issue has been under discussion for about seven years, and there is growing frustration over the lack of progress. Mac Hall noted that while Mr. DeMille's suggestion could work, it wouldn't allow water to flow to and from the ponds. Mr. DeMille then asked Mr. Hall if he would support the project tonight. Mac Hall responded that after speaking with NRCS and knowing that the project could be completed in phases, he would vote yes. Dayton Hall clarified that the item on the agenda was to accept, reject, or postpone acting on the bid as it was submitted, and the change orders discussed with the contractor cannot be approved at this time. Councilman Fawcett expressed his desire to secure NRCS funding before moving forward, stating his vote tonight would be no. He acknowledged the hard work that had gone into the project but wanted to ensure the finances made sense. He also mentioned that Interstate Rock was willing to give the City six months on their bid, excluding material price changes. Mr. Richins added that if the bid were awarded tonight, Interstate would lock in the current price and order the pipe for 1300 South immediately. However, materials like copper can only be quoted for a week, and concrete prices are rising, which significantly affects the cost of the pond project.

Kevin Thomas motioned to award the bid to construct phase 1 of the City's irrigation expansion project to Interstate Rock in the amount of \$7,859,191.00. Seconded by David Hirschi. Motion carried with Kevin Thomas, David Hirschi, and Drew Ellerman voting aye. Clark Fawcett and Joseph Prete voted nay. Kaden DeMille included a disclaimer, explaining that the staff has not been able to fully foresee the financial implications of making this payment. Therefore, if rates need to be increased or projects delayed in the future, the staff should not be held accountable.

2. Consideration and possible approval of a bid to construct the irrigation pond, filters, and booster station for the irrigation expansion project - Ken Richins

Kevin Thomas motioned to award the bid to construct the irrigation pond, filters, and booster station for the irrigation expansion project to Interstate Rock in the amount \$7,960,938.50 Seconded by David Hirschi. Motion carried with Kevin Thomas, David Hirschi, and Drew Ellerman voting aye. Clark Fawcett and Joseph Prete voted nay.

3. Consideration and possible approval of the City Civic Center Master Plan by FFKR and Desert Edge-David, Jessica, Susie, and Scott Gilberg

David Giles expressed their excitement about working on the project and acknowledged the challenges they've faced to ensure all needs are met. He highlighted that the City is quickly

outgrowing its current facilities. Through collaboration with Zion's Bank, they've found a way to create a successful plan without placing undue financial strain on the community.

Abe Nielsen then presented the master plan, explaining that it has been revised multiple times to achieve the best possible layout. He began by describing the proposal, starting from the top left corner and moving clockwise. The plan includes compact single-family homes on 3,000-square-foot lots, which serve as a buffer between the development to the north and the City Center to the south. Moving east, the plan features workforce housing—three-story buildings with 60 units each and surrounding parking. Efforts were made to distance these buildings from existing single-family homes. In the bottom right corner, the current building would be converted into a courthouse, while the adjacent building to the west would become the police department. The elevation difference in this area allows for multi-level structures, with secure parking between the police and courthouse buildings, and space for future expansion.

At the center of the development would be City Hall, accompanied by an amphitheater to the east. The City Hall would be aligned with 1100 West, serving as a focal point for the mixed-use retail space along 100 North, and designed as a communal hub. The retail area, marked by red boxes, would include a three-story hotel, with a green open space at the corner of 1150 West and 100 North, intended for a monument. North of the retail area, a large open plaza would provide another gathering space for the community. Parking would be situated behind the buildings, and diagonal parking would be available along 100 North.

Susie Becker from Zion's Bank presented the analysis of potential revenues, considering a nine-year absorption rate for the project. She outlined two primary options for the commercial components: ground leasing the property or selling it outright. She explained that revenue from a ground lease would accrue over a 20-year period, whereas selling the land would generate funds immediately. She then discussed the bonding impacts related to these options.

Mark Anderson added that any funds borrowed would need to be at a taxable rate, but if the City sold its existing buildings, those proceeds could help offset the project's costs. Kaden DeMille noted that alternative bond financing options were also available. Kevin Thomas summarized the main points, highlighting that the key difference between the two options is timing: selling the land provides immediate revenue, while ground leasing offers a more gradual, but potentially larger, financial return over time. Additionally, if the City retains ownership through a ground lease, it would maintain the flexibility to update or expand the property in the future. Mr. DeMille stated the aim is to maximize the property's value to fund these expansions without increasing property taxes. While the City has some funds available, it's not enough to cover the entire project. He expressed his preference for the ground lease option, which would secure long-term investment while keeping ownership in case the property is needed later. He noted that this setup would allow financing for the necessary buildings. Clark Fawcett cautioned that future revenues would need to be allocated specifically to cover these payments.

Bill Knowlton praised the proposed plan, calling it forward-thinking. He noted that last year Governor Cox signed a bill focused on attainable housing, which comes with available funding but requires meeting specific qualifications, including a deed restriction. He noted that these units represent true attainable housing, addressing Hurricane's shortage of 2,800 homes.

needed for workforce housing. He projected that once built, the demand would be so high there would be a three-year waiting list from day one. He believes ground leases are feasible and have a strong track record, and the demand for these housing units is immense.

Councilman Fawcett raised concerns about the potential traffic impact from so many units, particularly with schools nearby, predicting complaints from the surrounding community. David Hirschi expressed unease about voting against other three-story developments and now facing a similar proposal from the City, which he felt could seem hypocritical. He asked if the buildings could be two stories instead of three. Councilman Thomas urged the Council to consider the challenges the City faces in recruiting staff because many cannot afford to move to the area. He pointed out that the proposed development offers a solution by providing much-needed housing. Councilman Fawcett reiterated that these units would need to be truly affordable, noting the Council's reluctance to approve other high-density projects. Mayor Billings clarified that the current proposal is different due to the inclusion of a deed restriction. Mr. Knowlton explained that the trade-off for affordable housing is the density, adding that many local workers have nowhere to live. He emphasized that the units would not be priced at market value but would instead be based on tenants' income. Each year, tenants must qualify through tax returns and background checks, and those evicted cannot qualify again for two years.

Mayor Billings complimented Mr. Knowlton's developments, affirming that they are of high quality. Drew Ellerman remarked that as the population grows, taller buildings are often a necessary step, and the City must address its housing needs. Councilman Hirschi suggested exploring the possibility of incorporating a basement level to reduce height, and Mr. Knowlton agreed to consider that option. He assured the Council that these units would be energy-efficient, subject to land-use restrictions, and guaranteed to remain affordable for 50 years with onsite property management. Councilman Thomas thanked everyone for their efforts, acknowledging the hard work that had gone into creating a plan that meets the City's needs without raising taxes.

Kevin Thomas motioned to approve the City Civic Center Master Plan. Councilman Hirschi then asked what the next step would be if the plan were approved. Mr. DeMille explained that the next step would involve designing the buildings, with an immediate priority to construct the city office and police building. He also clarified that this approval only pertains to the general layout of the plan. Councilman Ellerman mentioned that a zone change would be required, along with all the necessary public hearings. Gary Cupp added that they are currently working on updating the code to accommodate such a plan. Councilman Prete asked if public comments would be required before a final decision could be made. Mr. Cupp further explained that a public hearing would be required during the zone change process, but at this stage, it is not yet part of the General Plan. Mr. Hall agreed, explaining that the Council was acting essentially as a board of directors in adopting a master plan to plan for the future use of the City's property, but that the City would still be required to hold a public hearing for a zone change and follow the same procedures as other developers in developing the land. The motion was seconded by Clark Fawcett, with Councilman Ellerman pointing out that updates could be made later if anything changes. Councilman Prete expressed his belief that something of this magnitude requires

more than just a survey for public input. Councilman Fawcett agreed, stating that the necessary public input would come later in the process. Motion carried with Kevin Thomas, Clark Fawcett, and Drew Ellerman voting aye. David Hirschi and Joseph Prete voted nay.

**NEW BUSINESS continued**

1. Mayor, Council, and staff reports

Mayor Billings announced that there will be a 249-repetition exercise event in the Dixie Springs area on Saturday, November 9th, at 4 p.m., and the Council is invited. The event will feature 20 stations, each telling a different story about a Veteran. She also mentioned that the Water District has sent a drought contingency plan for review. She asked the Council to go over it and provide feedback to her, Kaden, or Ken, as they are on the board and will need to vote on it. Additionally, UDOT has requested the City's assistance with installing an ornamental iron fence along the LaVerkin Bridge to help prevent suicides. Chief Excell has secured some funding, and the City will participate in this effort, including sending a letter of support along with the funds.

2. Closed Meeting held pursuant to Utah Code section 52-4-205, upon request

Mayor Billings stated there are two items for a closed session. Litigation and purchase of property.

Joseph Prete motioned to go into closed session at 8:32 p.m. for the items stated above. Seconded by David Hirschi. Motion carried unanimously.

**Adjournment:** Drew Ellerman motioned to out of a closed session and adjourn the meeting at 9:06 p.m. Seconded by Kevin Thomas. Motion carried unanimously.