

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
November 11, 2014

3:00 P.M. REGULAR SESSION – CITY COUNCIL CHAMBERS

CONDUCTING Mayor Richard F. Brunst, Jr.

ELECTED OFFICIALS Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director; Greg Stephens, City Attorney; Steve Earl, Deputy City Attorney; Bill Bell, Development Services Director; Scott Gurney, Fire Department Director; Charlene Crozier, Library Director; Gary Giles, Police Department Director; Chris Tschirki, Public Works Director; Jason Bench, Planning Division Manager; Karl Hirst, Recreation Director; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

ADJOURN TO CLOSED-DOOR MEETING

Mr. Andersen **moved** to adjourn to a closed-door meeting to discuss pending litigation, the purchase of real property, and the sale of real property pursuant to Utah Code Sections 52-4-205(1)(c), (d), and (e). The meeting would be held in room #107, and the Council would reconvene the City Council meeting when it was over. Mr. Seastrand **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed** unanimously.

The meeting adjourned at 3:03 p.m.

CLOSED-DOOR SESSION

A closed-door session was held at 3:05 p.m. to discuss pending litigation, the purchase of real property, and the sale of real property pursuant to Utah Code Sections 52-4-205(1)(c), (d), and (e) of the Utah State Code Annotated. Those in attendance were: Mayor Richard F. Brunst, Council members Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner, staff Jamie Davidson, Brenn Bybee, Greg Stephens, Steve Webber, and Jackie Lambert, former Public Works Department Director Bruce Chesnut, George Hunt with Williams & Hunt, and Libby Lowther with URMMA.

The meeting adjourned at 4:17 p.m.

4:00 P.M. STUDY SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING	Mayor Richard F. Brunst, Jr.
ELECTED OFFICIALS	Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director; Greg Stephens, City Attorney; Steve Earl, Deputy City Attorney; Bill Bell, Development Services Director; Scott Gurney, Fire Department Director; Charlene Crozier, Library Director; Gary Giles, Police Department Director; Chris Tschirki, Public Works Director; Jason Bench, Planning Division Manager; Ryan Clark, Economic Development Division Manager; Brandon Stocksdale, Long Range Planner; Karl Hirst, Recreation Director; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

Economic Development Strategic Plan

Ryan Clark, Economic Development Division Manager, introduced Zions Bank Finance Municipal Consulting Group (ZBPF) project manager Suzy Becker to report a summary of her draft findings for Orem’s Economic Plan.

Ms. Becker thanked the City for allowing her to work in Orem on the project. Ms. Becker spoke of the experts from various fields who were consulted to the many meetings and workshops that were held putting the project proposal together. She stated that Penna Powers Brian Haynes (PPBH), a marketing firm involved in the project, asked the question, “What is the identity of Orem? What would you like to be?” The branding statement that PPHB proposed:

For the City of Orem’s economic development audience, Orem provides great value through a low cost of doing business and a quality workforce. Orem is the epicenter of Utah County, where start-up companies, established businesses and developers prosper.

Ms. Becker summarized the 135-page report with the project’s findings into seven key strategies.

1. Capitalize on key economic nodes and their respective identities
2. Need to improve sustainability of revenue sources; more diversity
 - Increase sales tax revenues through:
 - Increased employment in higher-wage industries increases buying power – increased densities
 - Promote retail development at the Wedge to capitalize on Geneva housing development
 - Hotel development near office development and UVU
 - Increase other revenue sources

3. Continue as regional retail hub; become the regional employment hub
4. Need to increase densities and verticality
5. Little vacant land; maximize use of remaining parcels
6. Improve appearance and placemaking on State Street
7. Capitalize on UVU and BYU

Ms. Becker elaborated on the specified strategies in greater detail, utilizing charts, graphs, and other visual data representations. Ms. Becker concluded with suggestions for how to implement these strategies and the top ten decision factors businesses look at for their locations.

1. Tax increment
 - Critical for large companies
 - Required for EDTIF assistance
2. Grants and Loan funds
 - EPA (assessment, cleanup)
 - Revolving loan funds
 - Façade renovations
3. Special assessment areas
4. Utility rebates
5. Form-based codes
6. Bonus densities

Top Ten Business Decision Factors – EDC Utah

1. Labor costs
2. State and local incentives
3. Highway accessibility
4. Availability of skilled labor
5. Energy availability and costs
6. Proximity to major market
7. Tax exemptions
8. Occupancy/construction costs
9. Corporate tax rate
10. Availability of buildings

Mayor Brunst asked if the office space expansion at the proposed University Place development would help with diversity and Orem's low property valuation. Ms. Becker said office space would generate more revenue than retail if the quality and density was high enough.

Mayor Brunst asked for a definition of form-based codes. Brandon Stocksdale clarified that form-based codes look at the structure or style of a space versus the use, allowing for mixed residential, office, and retail all in one place.

Mr. Clark advised that the number one question he was asked by businesses looking to locate in Utah was what incentives were offered. They were told that there were not many incentives offered in Orem. With that in mind, Mr. Clark presented some preliminary concepts that had been discussed for business incentives in Orem and asked for feedback and ideas from those present.

Mr. Clark said the goals of incentives were to attract high paying jobs, increase assessed property values, fairness, and to provide options for all businesses both small and large. He gave a disclaimer that all of the ideas were still preliminary and would need further work and examination.

The ideas presented for possible business incentives were:

1. Community Development Area Project Considerations (CDA)
 - CDA projects meeting the following criteria would be viewed favorably by the City
 - Projects that would not happen in a reasonable timeframe, or at the proposed amenity level, “but for” the creation of the CDA and the use of tax increment financing.
 - Projects that are transit-supported, mixed-use developments with significant employment potential.
 - Projects that are located in a strategic growth area as defined in the Wasatch Choice for 2040 and/or the regional transportation plan.
 - Projects that would complement regionally significant community planning efforts.
 - Projects that are a minimum of ___ acres in size (it can limit the use of the CDA for a corporate headquarters or a project with a single office building).
 - Projects with a minimum private investment of \$_____.
 - Projects for which the City’s tax increment participation period was limited to 20 years or less.
 - Projects for which the City’s tax increment participation rate was limited to 75 percent or less.
 - Projects for which the City’s cumulative tax increment contribution to the agency was capped at a specified dollar amount.
 - Projects for which the City’s tax increment dollars would be used primarily to pay for or reimburse the cost of public infrastructure and improvements including, but not limited to utilities, street improvements, traffic signal improvements, parks, and parking structures, environmental remediation, and/or site preparation.
 - Projects that would create long-term, high-paying jobs.
 - Projects for which the proposed tax increment collection period was triggered on a specified date or upon achieving a specified dollar amount of capital investment within the project area.
 - Projects that would include affordable housing (?).
 - Projects for which the City’s tax increment participation amount or rate was conditioned upon achieving certain project benchmarks (e.g., primary job creation, increased assessed property value, capital investment...)
 - Unfavorable CDA Project Considerations
 - Project areas that are predominately market-rate housing.
 - Project areas that are predominately retail, unless there was a material justification to do so, which shall be evaluated on a case-by-case basis.
 - Project areas that are predominately standalone single-family dwellings.
 - Projects that would merely cause a relocation of jobs or retail sales from one area in the City to another area in the City.

- Projects that would involve development on sensitive land designated as open space, foothill, canyon, or other City-designated priority areas.
2. Redevelopment Loan Program (RDA Loan)
 - Create an RDA low interest revolving loan fund to assist with new and existing business expansion within the RDA boundary. That incentive was contingent upon available funds. If new CDAs are created in the future, a low interest revolving loan fund could be created for each CDA.
 - Possible uses:
 - Expansion or new construction of major sales tax generators.
 - Expansion or new construction for major primary employers.
 - Mixed use developers have difficulty financing projects with greater than 10 percent retail or commercial space. The loan can be used to backstop developer financing.
 3. Fast Track Permitting
 - During the development review process, which can include site plans, subdivision plats, and zoning changes, all projects submitted to the city are treated with equal priority. Staff takes pride in completing plan submittal review and returning comments to the applicant within six business days. If a project requires revisions and/or planning commission and city council approval, the time required for approval can vary.
 - When building plans are submitted, the plan set would enter the queue and await its turn for review. An applicant can pay a fee to move to the front of the line. Staff can waive said fee as an incentive to a developer.
 4. Retail Incentive
 - Eligibility
 - The project should at a minimum;
 - Fill a market niche
 - Be a desirable addition to Orem, which includes but was not limited to the following retail targets:
 - Family entertainment
 - Regionally-oriented retailers
 - Specialty Restaurant
 - Retail underrepresented in Orem market
 - Have a positive impact on sales tax revenues
 - Be licensed or obtain a license doing business from an owned or leased commercial property located within Orem
 - New business development and expansion of existing businesses are eligible for incentive consideration
 - Under special circumstances involving a major sales tax-generating retailer, incentives may be considered primarily for the retention or improvement of such an existing business within the City of Orem
 - Incentive
 - Percentage “shareback” of City sales tax received from the business for a specific period of time that the business was in operation.
 - “Sharebacks” are subject to the annual appropriation of the City Council.
 - Other incentives considered on a case-by-case basis.
 5. Infrastructure Incentive

- A new or existing business making a capital investment of \$_____ towards the construction of a new corporate headquarters, expansion of an existing corporate headquarters, class A office space, or major entertainment facility may be eligible for city participation towards improvements located within the public right-of-way including but not limited to curb, gutter, and sidewalk, street widening, water, sewer, and storm drain mainline expansion or upsizing, and traffic signal improvements.
6. Node Incentive for State Street
- To encourage redevelopment of the State Street corridor, density would not be limited on a per acre basis for a new mixed-use development located within a node or district as designated by the State Street Master Plan. Density would only be limited by the amount of parking required to meet the needs of the development. Parking requirements per residential unit, and retail or commercial square footage was dependent upon the final State Street Master Plan report. The overall square footage for a mixed-use development was required to contain a minimum of 10 percent retail and/or commercial office space.
 - Developers are encouraged to design dense mixed-use projects that financially support developer investments into reinforced concrete parking structures.
7. Façade, Site Improvement, Landscaping Upgrades Incentive
- A new or existing Orem business was eligible to apply for a low interest loan to improve their existing building façade, parking lot, landscaping, and for an interior remodel. A business owner was required to provide a personal guarantee and collateral for the loan.
 - A new or existing Orem business that was located on State Street and within 500 feet east and west of the State Street corridor was eligible for a grant to improve an existing building façade, parking lot, and landscaping. Grants are capped at \$_____ and require one dollar of investment by the business into said improvements for every one dollar of grant money received from the city. The grant and business match was not to exceed the cost of the improvements.
 - To create the incentive, the city would need to set aside funding. It also requires ongoing man power to monitor the program.
8. Property Tax Incentive
- An existing or proposed business may qualify for reimbursement of property tax paid to the City of Orem. To qualify, a business must make a new minimum capital investment of \$_____. A business may receive a reimbursement of 75 percent for year one, 50 percent for year two, 25 percent for year three, and 25 percent for year four.
 - Example: A property with net new assessed value of \$923,000 with the City portion of the property tax of \$1,584.

Reimbursement schedule	Completion of Year 1	75%	\$1,188
	Completion of Year 2	50%	\$792
	Completion of Year 3	25%	\$396
	Completion of Year 4	25%	\$396
	Total Incentive		\$2,772

9. Economic Catalysts/Projects of Economic Development Significance

- There are certain projects of special significance that generate greater opportunities for additional economic development and/or provide highly desirable community amenities.
- Projects might include, but are not limited to:
 - Arts District Developments
 - Recreation Facilities
 - Sport Facilities
 - Highly Desired Retail
 - Large Sales Tax Generators
- Incentives for these types of projects are negotiated on a case-by-case basis with the Economic Development Manager and the City Manager.

Mayor Brunst asked if future CDA projects would be similar to the CDA with the University Place development. Mr. Clark said some CDA projects would be similar, and could include a number of taxing entities, but others could be with just the City itself.

Mr. Macdonald stated that “the big bang” of a CDA usually came from the other taxing entities, specifically school districts, and that developers would be less interested in a CDA if it was lacking that involvement. Mr. Clark agreed, but said cities had moved forward with CDA projects alone.

Mrs. Black asked if an RDA loan would only be available if a business was already in an existing RDA area. Mr. Clark said businesses would need to be in an RDA area to qualify.

Mr. Clark gave further details about each of the ideas for business incentives. At the conclusion of the presentation Mr. Clark asked once more for additional ideas and feedback on incentive possibilities, with the goal to adopt an incentive policy in the future.

Southwest Annexation

Mr. Stocksdale presented a summary of the potential Lakeview Annexation. It was to continue the May 14, 2014, discussion of annexing approximately 227 acres of property located generally south of 1500 South, west of Interstate 15, and north of 2000 South. Some of the land in the area was currently being used for agriculture, open space, wetlands, and limited residential. The City received a resident-driven petition from landowners in the area requesting to be annexed.

Mayor Brunst asked how many landowners were on the petition. Mr. Stocksdale said approximately thirty landowners had applied to be annexed into Orem.

Mr. Stocksdale gave a brief timeline of the petition process and key events:

- Lakeview Neighborhood Meeting - May 14, 2014
- Annexation Petition Submitted - June 6, 2014
- Reviewed by County - June 17, 2014
- Approved for Consideration by City Council - June 17, 2014
- Certified by City Recorder - July 11, 2014
- Public Notice and 30 Day Protest Period July 12, 2014 - August 11, 2014
- Orem-Provo Resolution - *December 2014 (tentative)*

- City Council Annexation Adoption Ordinance (with Holding Zone & Impact Fees) - *January 2015 (tentative)*
- Approval from County & Lt. Governor - *February 2015 (tentative)*
- City Receipt of Articles of Incorporation - *February 2015 (tentative)*
- Annexed into City (building permits issued, impact fees collected & zoning implemented) - *March 2015 (tentative - 90 days after adoption of fees)*

Some of the key issues that were identified for the potential annexation were:

1. Impact fees
2. Upfront costs to the City
3. Agricultural Easement Area/Conservation Easement Area
4. Post-impact fee holding period
5. Process
 - Adopt the Impact Fee Area for Water, Sewer, and Storm Water (Southwest Area)
 - Annex the proposed property
 - Adopt the General Plan for the area
 - Adopt a holding zone on the property (OS-5 zone)
 - Place a moratorium on the area for at least 90 days to allow the impact fee area to take effect.
 - Review rezone application (future meetings)

Advantages:

- Some increase in the property tax collected;
- Potential for limited commercial development along Geneva Road;
- Located within the Annexation Declaration area;
- Additional Housing options in the City;

Disadvantages:

- Limited increase in sales tax base;
- Upfront costs for infrastructure that the city would eventually get back by payment of impact fees;
- Added infrastructure adds additional obligation for future maintenance;
- Upfront cost for Gold Key water line improvements (if annexed) would not be reimbursed to the city;
- The city has many existing needs within the current boundaries of the City;
- Destruction of productive farmland.

Additional Information:

- Total Area in Annexation 227 acres
- Total Private Property 208.136
- Total Acreage Owned by Signors 160.256
- Percent Owned by Signors 77.0%
- Percent Needed for Annexation 51%
- Total Value of Property \$11,284,384
- Value Owned by Signors \$5,453,984
- Percent Value Owned by Signors 48.3%

- Percent Needed for Annexation 33%

Mr. Stocksdale advised that after the petition had been approved for consideration by the City Council the period for filing a protest was opened. The City of Provo filed a protest, with regards to the control over the road at 2000 South, and the two city staffs had met regarding the ownership and responsibility for care of the road. Mr. Stocksdale said that by the end of the year there should be a resolution between Orem and Provo on the matter. There were no other protests filed.

Mr. Stocksdale said if the annexation were to move forward, landowners who were against the annexation would automatically be a part of the annexation regardless. He further explained that by State law land held under agricultural easement, like the Clinger family farm, would need 100 percent of the landowner's approval to move forward with annexation. At the time, the family was not in favor of annexation.

Mr. Stocksdale stated that specified land in the annexation area was under conservation easements, and the development rights had been donated or sold and were held by outside parties; therefore, that land could not be developed.

Mayor Brunst asked how much land then would be unavailable in the annexation. Mr. Stockdale advised that 112 acres were under agricultural easement, and 65 acres were under conservation easement.

Mr. Davidson pointed out that once an area was annexed, Orem would have an obligation to service the area that would become part of the city. Mr. Macdonald elaborated that servicing included water, storm water, sewer, and various other utilities.

Mayor Brunst wondered about impact fees in other areas of the city. Mr. Davidson advised that because there was no infrastructure currently, the ones creating the need for infrastructure would pay the necessary impact fees and that these fees would be site specific. Mr. Stocksdale added that if the City were to annex the land, there would be a ninety day period for assessing impact fees before collection would begin.

Mayor Brunst asked about the nature of Provo's objection to the annexation. Mr. Stocksdale said Provo had concerns about who would maintain the road and have access to utilities. Mr. Tschirki added that Provo wanted the whole road, but Orem wanted to keep some access to the road. Mayor Brunst pointed out that Orem had split a road with Lindon successfully for a long time.

Mr. Stocksdale showed three potential land use alternatives: low, medium, and high density options. The differing densities would affect the impact fees to cover the costs of building system infrastructure. Lower density areas with lower numbers of units would have higher impact fees. The lower the density, the higher the impact fee would be, and conversely higher density areas would have lower impact fees. Mr. Stocksdale said the most support from the first neighborhood meeting in May was for a medium to high growth density, potentially using space for mixed use.

Mr. Seastrand asked why the burden of paying for the infrastructure would fall on the City when it would typically be paid by the developer.

Mr. Davidson explained that in trying to attract developers City would need to put a system infrastructure in place, and the impact fees would become the means to accomplish that.

Kelly Pfof of Lewis, Young, Robertson and Birmingham, Inc. (LYRB) clarified that there are two types of infrastructure: project and system. Developers would pay for their own project infrastructure to attach to a system infrastructure, but in that area the system infrastructure did not currently exist.

Mayor Brunst asked the cost of extending that system infrastructure. Mr. Stocksdale advised that it would be approximately between eight and nine million dollars which would be paid over time utilizing impact fees.

Mr. Stocksdale stated that another alternative usage for the land, proposed by some of the land and business owners located in that area, would be to secure the land with local, state, or federal funding or grants to be used as a traditional agricultural area with open space.

Mr. Macdonald asked the boundaries of the annexation area. Mr. Stocksdale answered from 2000 South to 1400 North near an industrial park.

Mayor Brunst asked if in the meetings with the neighbors there had been discussions as to the usage of the land, beyond the proposal for agricultural use.

Mrs. Black clarified that the majority of those at the first neighborhood meeting were interested in the medium to high density options, which Mr. Stocksdale confirmed.

Mr. Davidson pointed out that some of the property had been leased and though land users may have strong feelings one way or another, they were not the land owners.

Mr. Seastrand stated that the May neighborhood meeting could be an inaccurate reflection of the feelings of the whole area and perhaps the residents were not as aware or involved at that point. Mr. Stocksdale and Mr. Bench advised that the whole area was given notice of such meetings on multiple occasions to try and encourage as much neighborhood input as possible. Mr. Seastrand said he recognized that, but suggested a new meeting might be a good opportunity to collect more current feedback.

Mayor Brunst asked how many had attended that initial meeting, and Mr. Bench answered that approximately thirty-five to forty were in attendance.

Mr. Andersen inquired about how much of the eight or nine million would be from the City. Mr. Stocksdale advised that the interested developer would cover between two and three million, which would leave roughly six million to be paid by the City. Mr. Andersen asked how the City would pay that amount. Mr. Stocksdale then went through the three options to cover those costs.

1. Use reserve money and then utilize impact fees to pay back over time. That option would be most conducive in a higher density use that would be able to support reimbursing those fees.
2. Bond for the infrastructure and then pay back over time using impact fees.
3. Not to annex and not provide those services.

Mr. Macdonald asked about a possible fourth option, that the City would not move forward with annexation unless enough investors and developers could contract with the City to cover the majority of those expenses to ensure that the City would not be wholly responsible to cover the costs upfront. Mr. Stocksdale agreed that it could be an option. Mr. Andersen added that the possible fourth option could be a safeguard in the event of economic downturn.

Mrs. Black clarified that to move forward with annexation for the property owners who would want to develop right away, the entire area would have to be annexed. Mr. Bench confirmed that there would be no way to selectively annex around those who did not favor the annexation.

Steve Earl stated that once the property was annexed the City would ultimately be responsible for servicing the area, but that would not necessarily need to take place immediately. Oftentimes cities had large areas of undeveloped property and the typical situation was that developers put in the infrastructure as they developed, and it moved out gradually to connect to the existing infrastructure. Mr. Earl further clarified that what was being discussed was the possibility of facilitating the development in that area if the City wanted to install the infrastructure, which could be accomplished by using impact fees. However, the City would not necessarily need to do anything in the area. The potential result of not building out the infrastructure might be that development would not occur in that area for many years. The proposed annexation was an option to consider, not something the City would have to do.

Mr. Stocksdale advised that two of the petitioners leading the charge for annexation were looking to build in an area furthest away from surface connections.

Mr. Stocksdale said a second petition for annexation had been received for property near the Gold Key area. They were advised to withdraw their petition and hold it until a decision was reached about the annexation, because if that were not to go forward, the City would have no legal grounds to accept their annexation.

Mr. Davidson stated that they had reached the time for serious discussion about whether to accept the annexation and move forward or do something different. Those who had made application were anxious to develop and needed an answer and direction from the City. There were many differing opinions on how the City should proceed, but ultimately that decision was up to the City Council.

Mr. Sumner asked about Provo's take on the annexation. Mr. Davidson said there had been opportunity in the past to work with Provo and provide service to each other's customers, but in the annexation area there would be no long-term opportunity to do that.

Mayor Brunst asked if connecting to Provo would be possible. Mr. Tschirki said it would not, that Provo did not have the capacity in the sewer system to connect in. Mayor Brunst clarified that for the City to service the southeast side, the infrastructure would have to connect all the way up. Mr. Tschirki agreed.

Mr. Seastrand asked about connecting the east side of the tracks. Sam Kelly said that for the City to put sewer in that area at least one lift station would be required. The original plan was to bring the sewer lines down Geneva Road, but to be able to service the area the majority of sewer trunk line would need to go in the annexation area to facilitate development on either side.

Mr. Davidson asked if, from a cost perspective, the plans had great differences, Mr. Kelly said there were not.

Mr. Davidson said that if lift stations could be avoided that would be ideal from a utilities perspective because cost of maintaining a lift station was high.

Mr. Sumner asked if the cost of lift stations was included in the eight or nine million, and Mr. Kelly confirmed it was.

Mayor Brunst wondered how quickly the City would be able to pay for building out the infrastructure if they went with the bond option. He also asked about how quickly the area would be developed. Mr. Davison said a number of factors would need to be considered to answer those questions, but that there were already applicants interested in parts of the property. The belief was that the initial developments would give the area some momentum for further development.

Mr. Seastrand asked about the properties owned by those who were not in favor of the annexation and whether they would be required to connect to the infrastructure. Mr. Earl said they would be required to connect if their property was within 300 feet of a sewer line, and they would be charged the impact fees.

Mr. Davidson asked if the matter could be continued for further discussion at the City Council meeting scheduled December 9, 2014. The general consensus of the council members was to continue the discussion on that date. Mr. Seastrand asked for clarification as to what the further discussion should accomplish. Mr. Davison said that it would not be to make a decision one way or another, but to allow the Council to consider the information they had heard, to ask more questions, and to hear of the resolution to the protest Provo made on the road boundary.

Mrs. Black asked if they would be considering densities at that time. Mr. Davidson said they would as the density options were a significant part of the conversation that would need to be considered because it would directly affect the impact fees.

Mayor Brunst asked for projections on three different ways of developing the areas, what the costs would be for the various options for funding, and the timeline for development based on similar projects in the surrounding areas.

Mr. Davidson said that, based on land use there was an expectation that a particular type of use would either pay for itself or not, which would need to be considered. If there was a large service area developed with single family homes, and the revenue needed to service that area was based on relatively low property tax rates, there might not be sufficient revenue to service the area on that alone. From a revenue perspective, there would be a significant difference between property tax revenue on single-family or even multifamily homes compared to commercial or industrial type properties.

Mrs. Black said, with that information, it made sense to have mixed use of the property in the area.

Mr. Kelly said if the City were to annex the area, another fire station would need to be built and staffed. Mr. Davidson added that public safety, parks, and other city services would also need to be provided. Mayor Brunst observed that a fire station was needed in the area regardless.

Mr. Macdonald asked for comparisons in the impact fees being looked at with other cities doing similar development and fairly significant impact fees like Eagle Mountain or Saratoga Springs.

Mr. Stocksdale said they were looking into those comparisons, and considering variables like long-term taxable income that would come to the City, depending on whether the developments were residential, commercial, or industrial uses and what densities they would be.

Mayor Brunst encouraged everyone in attendance to email the City Council and the Mayor if they had questions or wanted to express their opinions on the matter.

Mr. Davidson also directed people to Brandon Stocksdale with specific questions for further information.

5:00 P.M. STUDY SESSION- PUBLIC SAFETY TRAINING ROOM

CONDUCTING

Mayor Richard F. Brunst, Jr.

ELECTED OFFICIALS

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director; Greg Stephens, City Attorney; Steve Earl, Deputy City Attorney; Bill Bell, Development Services Director; Scott Gurney, Fire Department Director; Charlene Crozier, Library Director; Gary Giles, Police Department Director; Chris Tschirki, Public Works Director; Jason Bench, Planning Division Manager; Karl Hirst, Recreation Director; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

Preview Upcoming Agenda Items

City Council and staff reviewed upcoming agenda items.

Agenda Review

City Council and staff reviewed the items on the agenda.

City Council New Business

Mayor Brunst gave some time to Police Chief Gary Giles to address an issue that had come up at a joint meeting with the Provo police department.

Chief Giles stated that a problem had come to both departments' attention that underage kids were participating in fight clubs, particularly up the canyon. The question came up of what the police could do in those situations. Chief Giles said that police, from either a criminal or civil standpoint, could use the nuisance code to stop the fight clubs and even charge the individuals involved under Orem City Code chapter 11. It was a broad interpretation, but Orem City Code Section 11-1-3(B)(28)(e) stated:

Every property or premises where there exists an environment which causes, encourages or allows individuals or groups of individuals to commit one or more of the following acts on the property, premises or adjacent public place, including but not limited to engaging in acts of violence, including fighting amongst themselves.

Chief Giles said the police would work with the City Attorney's office to make certain that the code was enforced properly. With the language in the code section, officers would be able to stop the fights and hopefully eliminate the problem. Chief Giles said he hoped to coordinate with administration and faculty, school resource officers, and students at any and all schools involved to educate them on the problem as well.

The Council adjourned at 5:53 p.m. to the City Council Chambers for the regular meeting.

6:00 P.M. REGULAR SESSION

CONDUCTING

Mayor Richard F. Brunst, Jr.

ELECTED OFFICIALS

Councilmembers Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Richard Manning, Administrative Services Director; Greg Stephens, City Attorney; Bill Bell, Development Services Director; Scott Gurney, Fire Department Director; Charlene Crozier, Library Director; Gary Giles, Police Department Director; Chris Tschirki, Public Works Director; Ryan Clark, ; Jason Bench, Planning Division Manager; Karl Hirst, Recreation Director; Steven Downs, Assistant to the City Manager; and Jackie Lambert, Deputy City Recorder

INVOCATION /

INSPIRATIONAL THOUGHT

Sterling Bascom

PLEDGE OF ALLEGIANCE

Rick Lewis

ADJOURN TO A MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM

Mr. Seastrand **moved** to adjourn to a meeting of the Redevelopment Agency. Mrs. Black **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst,

Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner. The motion **passed** unanimously.

RECONVENE CITY COUNCIL MEETING

The City Council meeting reconvened at 6:10 p.m.

**Mayor Brunst, Councilmember Mark E. Seastrand, and Jamie Davidson were excused to attend a meeting of the Alpine School Board.*

Mayor Pro Tem Andersen conducted the meeting.

Recognition – Winner – November Orem City Logo Contest – Christina Marcano

Peter Wolfley presented the award for the logo redesign contest, sponsored by Smith's Food and Drug, to Christina Marcano, noting Ms. Marcano was the grand prize winner out of eight submissions. The contest gathered over 650 votes that were cast on the Orem City Facebook page. Ms. Marcano was given a full Thanksgiving dinner, provided by Smith's, as the prize for winning the contest. Ms. Marcano's logo was the official logo for the City throughout the month of November.

Steve Tillison from Smith's thanked the City for participating in the contest and wished everyone a happy holiday season from Smith's.

APPROVAL OF MINUTES

No minutes were available for approval.

MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

Upcoming Events

The Mayor Pro Tem referred the Council to the upcoming events listed in the agenda packet.

Appointments to Boards and Commissions

There were no appointments.

Recognition of New Neighborhoods in Action Officers

No new Neighborhood in Action officers were recognized.

Report – Metropolitan Water Board

Jack Jones, with Bruce Chesnut and Chris Tschirki, presented a report from the Metropolitan Water District. Other members of the Metropolitan Water District in attendance were Steve Brown, Rick Lewis, and Alex Lott. Mr. Jones stated that he was proud of the relationship between the Metropolitan Water District and the City, particularly the relationship with Mr. Tschirki's staff. The cooperation of those two organizations over the last twenty years had accomplished a great deal for the City in acquiring and developing water. Mr. Jones said he thought Orem's was the best water system in the state, as well as the best drinking water.

Mr. Chesnut said he wanted to point out that in the last water year, which ended the first part of November, water usage in Orem was approximately twenty-seven thousand seven hundred and four acre feet, which equaled over nine billion gallons of water. Mr. Chesnut advised that the lowest use on one day was on January 31, which was 9.14 million gallons, and the highest use was on July 7, at 55.45 million gallons in one day. Mr. Chesnut enumerated the three sources of water the City has: wells, springs, and surface water. Surface water included Provo River, Deer Creek, and Jordanelle Reservoir water. Mr. Chesnut stated that the springs and wells are owned by the City of Orem. The surface water was owned by the Metropolitan Water District. 64 percent of the water that came to the City was from surface water, with 9 percent from springs and 27 percent from underground well waters. Mr. Chesnut continued that it was important for the water to come from multiple sources based on conditions in the environment like snowfall, which the Metropolitan Water District watched closely. Trial Lake, which helped with reservoirs and river flow, ended its water year at 108 percent of normal. The Timpanogos divide ended up at 84 percent of normal; the Timp divide was critical for the community because it came down into the springs and helped with the wells also. Overall drainage was about 100 percent. Mr. Chesnut advised that the state engineer decided that he wanted to look at adjudication on the Orem subdivision water rights within the north part of Provo, in Vineyard, and throughout Orem. The Metropolitan Water District would be involved in working with the State Engineer's office on that project. The project would look at surface water as well as ground water and spring water. Mr. Chesnut further stated that all available resources would be put forth to ensure that the adjudication was handled properly according to our water rights. Protecting our water rights for the future was extremely important.

Mrs. Black asked what had prompted the state engineer to do that adjudication, and why Orem specifically was singled out. Mr. Chesnut said that the state engineer had been going to different subdivisions or areas, including in central south Utah, to review their water rights and thought the area would be the next logical place to go.

Mr. Jones advised that there are laws in place to ensure that water was used beneficially. If the State engineer were to find that a city was not in compliance with those laws, the state engineer could file a lawsuit and take that water away. Additionally, Mr. Jones said the State engineer could take water away that had not been used within seven years.

Mayor Pro Tem Andersen asked if there was anyone whose water was not being used. Mr. Chesnut said all water rights were used at different times of the seasons throughout the year. Mr. Chesnut stated that the Metropolitan Water District and the City's water department made sure that those water rights were used beneficially at least every other year if not every year to make sure the rights were retained.

Mayor Pro Tem Andersen then asked to whom water was sold. Mr. Tschirki advised that Orem currently sold water to the town of Vineyard. Mr. Tschirki further explained that there was an indefinite agreement that went on with perpetuity, unless it was breached, that Orem would provide up to thirty-five hundred acre feet of water to the town of Vineyard.

Mr. Sumner asked whether there was a population figure point that the City might reach where Orem would use up its resources and be hurting for water.

Mr. Chesnut said the City and others had done a study based on a population figure of approximately 125,000, and looked at the surface water rights cut down to only 20 percent of

allocation as a worst case scenario in a high population, and the City still had an adequate supply of water. Mr. Tschirki added that the City could provide water to a population up to one hundred and sixty thousand, which could include the town of Vineyard and everywhere covered in Orem's service boundary.

Mrs. Black thanked the Metropolitan Water District members for all they had done and expressed gratitude for the wise forefathers who established the water rights all those years ago.

CITY MANAGER'S APPOINTMENTS

Appointments to Boards and Commissions

There were no City Manager appointments.

PERSONAL APPEARANCES

Time was allotted for the public to express their ideas, concerns, and comments on items not on the agenda. Those wishing to speak should have signed in prior to the meeting, and comments were limited to three minutes or less.

Sterling Bascom, resident, expressed concern about the disappearance of agricultural land in the city limits, and worried that it could be lost completely. If that were to happen, the City would be cut off for agriculture in case of an extreme situation. Mr. Bascom said it was too bad there was not much to be done to preserve land so the next generation could see the heritage of family farms and agriculture in our City and State. Mr. Bascom asked that the City Council consider that when considering the southwest annexation proposal.

CONSENT ITEMS

There were no consent items.

SCHEDULED ITEMS

6:20 P.M. Public Hearing

ORDINANCE – Amending Section 22-14-29, Section 14-3-3, and Section 14 3 4 of the Orem City Code pertaining to outdoor advertising requirements – Billboards and Electronic Message Center Signs

Jason Bench, Planning Division Manager, presented to the Council a recommendation from the Planning Commission to amend Section 22-14-29, Section 14-3-3, and Section 14-3-4 of the City Code pertaining to outdoor advertising requirements.

Mr. Bench said the current ordinance allowed electronic message center (EMC) signs on any billboard. The location of an EMC (LED) sign was an issue with the YESCO billboard at 2000 South Sandhill Road with the proximity of homes to that sign. There are other billboards in the City that are also close to residences on the east side of I-15.

Due to the concerns the City Council had previously expressed about the negative impact electronic signs may have on nearby residences, staff proposed to amend Section 22-14-29 to

prohibit electronic message center (LED) signs on the east side of I-15 and within 500 feet of I-15. It would provide some protection to homes that were located near I-15.

Staff also had recently become aware of a problem that could arise due to the application of Utah Code Section 10-9a-513. That section allowed a billboard owner to relocate a billboard into any commercial, industrial or manufacturing zone within 5,280 feet of its previous location.

Staff was concerned that billboard companies might use the above-cited section to get around the City's prohibition of new billboards on the east side of I-15. Billboard companies with a billboard on the west side of I-15 (where new billboards are allowed) might apply to relocate their billboard to the east side of I-15 (where new billboards are not allowed but where Section 10-9a-513 would allow them to be relocated) and then turn around and apply for a new billboard on the very same site where the original billboard was located.

If that were to occur, it would effectively circumvent the City's ban on east side I-15 billboards. Staff therefore proposed to amend Chapter 14 to prohibit all new billboards in the City. It might not stop the relocation of billboards to the east side of I-15, but it would prevent the relocated billboards from being replaced since an owner who relocated a billboard would not be able to construct a new billboard at the original site of the relocated billboard. There were nine potential billboard locations on the east side of I-15 where relocations could occur.

Representatives of Reagan Outdoor Advertising and YESCO were not in favor of the proposed changes and had offered alternative language that had been provided to the Council. The Planning Commission did not wish to adopt the proposal of the billboard companies, but encouraged staff to consider some of their proposed language in future amendments.

Mrs. Black asked which side that change would prohibit electronic signs, east or west. Mr. Bench clarified that it would not prohibit electronic signs on the west side, only on the east side.

Mr. Spencer spoke of the proposed southwest annexation and the possibility of high residential densities there. He asked whether billboards and electronic message signs would cause the same problem in that area that they were currently causing. Mr. Bench advised that the current property boundaries of the proposed southwest annexation would not include the Gold Key area.

Mr. Macdonald asked if the proposal was for no new billboards. Mr. Bench said that was correct, that in September 2013 the Council approved an ordinance to allow more billboards, but restricted them to the west side of I-15. The proposal before the Council was to take billboards out altogether and prohibit any new billboards on I-15. Mr. Macdonald then returned to the question of billboards in the southwest annexation area and asked if new billboards could go there. Mr. Bench said that they could, if the property was zoned commercial or industrial.

Mr. Bench stated that the area between the railroad tracks and closer to I-15 was projected to be an industrial zone. Further west across two sets of tracks was projected to be a residential zone.

Mr. Spencer asked the distance from I-15 to those tracks. Mr. Bench said it was approximately 600-800 feet.

Mr. Macdonald asked if the proposed change would override the State law about relocation. Mr. Bench said sign owners would still be able to relocate a sign but would not be able to place a new billboard in the original spot. The proposed change would close the loophole.

Mr. Bench restated and clarified that the City allowed billboards on the west side of I-15. State law allowed a billboard company to relocate any sign along that corridor on the west side of I-15 to anywhere, east or west, within a mile of the original location. The concern was that a company could take a sign from the west side and relocate the sign to one of the nine spots open for billboards on the east side of I-15, then put in a new sign on the west side where the first sign was originally. Essentially the loophole could create nine new billboards in Orem, and the proposal was to change the language to prevent that from happening.

Mr. Macdonald asked if the southwest annexation would be an exception, if new billboards could be put there. Mr. Bench said it would not. With the proposed change signs, it could only be relocated to that area, not that new billboards would be allowed. It would cap the number of signs total in Orem.

Mrs. Black said that because of the last vote in 2013 two new billboards had been put up. With the proposed changes those two would now be part of the total number of signs allowed, but that no more signs would be added to that number. Mr. Bench confirmed that.

Mayor Pro Tem Andersen opened the public hearing.

Leslie Nelson, commercial property owner, said that with the changes from 2013 her property would have been allowed a billboard. The only thing that prevented her from putting in for a billboard, which would potentially create more business, was that they restriped the road with the construction of the new lanes of the freeway. That shift moved the exit closer to her property, so Ms. Nelson had been working with a company to help her at the legislature to get UDOT to change their regulation at the next legislative session to allow for her billboard. She said she hoped for an exception from the City on the billboard rule since she had been working on putting a billboard up for some time and would not move it to the east side.

Janet Hatch, resident, said she was concerned about electronic billboards in general, not just in Orem. The State just passed a law about using cell phones and other electronic devices while driving because they were distracting, and she questioned how electronic billboards were any different. Ms. Hatch also expressed concern about billboards blocking the scenic view of the surrounding mountains and hoped that no more billboards would be put up.

Mike Whimpey, resident, said he wanted to express support of the ordinance change to the billboard policy. He did not believe that the annexation of the southwest Lakeview neighborhood would add to the number of billboards, because there were already billboards there and with the change no more would be added.

Guy Larsen, Reagan Outdoor Advertising, asked to have things clarified for him and his company.

Mr. Bench reiterated the policy that signs could be relocated, even to the east side, but that no new billboards would be allowed in the moved sign's place.

Mr. Larsen stated that Reagan Outdoor Advertising was opposed to the ban on digital billboards, because the signs change interval was eight seconds and not a constantly flashing and shifting sign. There had been studies that the eight second interval was not as distracting as a cell phone or other electronic device and would not be considered a safety issue. Similar concerns about the lights that came from digital signs had come up in other cities, but the digital display actually caused less illuminance than a regular display on a stagnant sign. There were other options than banning digital signs. Mr. Larsen asked that the City Council give full consideration to all the available material on the issue before making a decision.

Mike Hallam, with YESCO Outdoor Advertising and Orem resident, said he wanted to make some points on behalf of YESCO. The City permitted the digital sign at 2000 South twice, once in 2011 and again in 2013, and based on the ordinance it was a conforming sign. Mr. Hallam stated that the City allowed digital billboards in new zones on the west side of I-15 last year where they had not been allowed before. Mr. Hallam voiced frustration that at that time, new areas were opened for other companies, but were now being shut down for everybody. Mr. Hallam was upset that not much of the proposed language from the YESCO Company was listed in the resolution.

Leslie Nelson came forward again, saying she would use the remainder of her three minutes. She spoke about where the beauties of nature were really going to be appreciated, and I-15 was not one of those places. Ms. Nelson said that billboards added money to the local economy because people saw them.

Jeff Harmon spoke against limiting or prohibiting new billboards, because it would take away from the City's economic development. Mr. Harmon stated that billboards brought tax dollars to the area because people were attracted to the signs and wanted to stop and do business in Orem.

Mayor Pro Tem Andersen closed the public hearing.

Mr. Bench clarified that electronic message signs were not being prohibited on the west side, only on the east side.

Mrs. Black stated that the proposed change in the ordinance would be to stem the proliferation of billboards through a loophole, and she would be in favor of the changes.

Mr. Earl said the proposed changes were not only to prevent a proliferation of billboards but to provide a disincentive to move billboards to the east side of I-15. The City had opened sign areas on the west side only because it was a manufacturing and industrial zone. Mr. Earl clarified that the reason the total ban was proposed was so billboard companies have no incentive to move a west side billboard to the east side and turn around and apply for another billboard on the west side.

Mrs. Black asked about the possibility of an exception for Ms. Nelson. Mr. Earl said no exception could be made.

Mr. Sumner said he agreed with Mrs. Black that billboard issues were an ongoing problem. He said he was concerned specifically about the digital signs on 2000 South being a frustration for residents there. Mr. Sumner said he was in favor of the ordinance change.

Mr. Earl added that after the matter had been taken to the Planning Commission the first time, the billboard companies requested that the City look at the matter closely to see if the scope could be narrowed. In response to that request, staff drove along the corridor on I-15 and 1200 West and Sandhill Road, and looked at the existing billboards on the east side of I-15. Mr. Earl stated that the majority of them were located in close proximity to residences.

Mr. Bench identified the billboards that were within 350 feet of residential areas, noting it was the majority of them.

Mr. Macdonald asked, if the goal was to have no billboards on the east side, why they did not change the ordinance to say that billboards were not on the east side of I-15. Mr. Bench said the State law allowed for billboards to be relocated within a mile of their current location, even on the east side of I-15. The proposed changes were to keep the potential nine new billboards from going in if all signs on the west side relocated to the east side. Mr. Macdonald then asked about the possibility of adding billboards on the west side if there were changes in the ordinance. Mr. Bench said if anyone wanted to add a billboard, they would need to make a proposal to the City Council to consider opening billboards back up.

Ms. Nelson asked if a billboard company would need to own the property for a sign to go in. Mr. Bench stated that a billboard company would more likely make an agreement with the property owner. Mr. Bench further clarified that whether nine additional billboards would go in was uncertain, but there was the possibility of it happening.

Mr. Macdonald asked if the two outdoor advertising agencies represented had any solution to the problem of nine additional signs. Mr. Larsen addressed Ms. Nelson's concern, stating that she could have the opportunity to put a sign on her property if a lease was lost on the west side, or if a sign needed to relocate to the west side. Mr. Larsen said Reagan was not opposed to the changes, and they were looking for a mutually beneficial arrangement with all cities. If the City wanted a cap on the number of billboards allowed, Reagan would respect that number but asked that the companies maintained the ability to be relocated signs under State law.

Mr. Bench advised that the Planning Commission was not trying to stop billboards being located on the east side necessarily but wanted to cap the number of total signs to avoid having nine more signs added as signs are relocated back and forth.

Mr. Earl added that if those proposals were enacted, it would provide additional incentive to keep billboards on the west because they would need to stay on the west side where electronic signs were allowed. The changes would make moves to the east side even less likely because electronic signs were considered to be more valuable.

Mr. Sumner said he was concerned about whether billboard or electronic message centers actually added to economic development in Orem. His impression was that most of the billboards in the area were directing people to Provo.

Mayor Pro Tem Andersen stated that Orem had higher sales tax collection than Provo by twenty percent or more.

Mrs. Black **moved**, by ordinance, to amend Section 22-14-29, Section 14-3-3, and Section 14-3-4 of the Orem City Code pertaining to outdoor advertising requirements. Mr. Sumner **seconded**.

Those voting aye: Margaret Black, David Spencer, Brent Sumner. Those voting nay: Hans Andersen, Tom Macdonald. The motion **failed**, 3-2.

6:20 P.M. PUBLIC HEARING

ORDINANCE - Annexing property located generally at 1250 East Cascade Drive, and by ordinance, designating the annexed property Rural Density Residential on the General Plan land use map, and amending Article 22-5-3(A) and the zoning map of the City by zoning the property OS5

Jason Bench reviewed with the Council a request to annex approximately 16.477 acres of property located generally at 1250 East Cascade Drive and designate the property Rural Density Residential on the General Plan land use map and amend Article 22-5-3(A) and the zoning map of the City by zoning the property OS5.

The property to be annexed was brought to the City Council's attention by a resident that claimed that deer hunters were shooting too close to residential homes. The City Council discussed the issue and decided to move ahead with an annexation in order to provide a safer environment for the residents in the area as hunting was not allowed in City limits.

The property was adjacent to the Central Utah Water Conservation Districts' (CUWCD) water treatment facility. Timpanogos Park was similarly located in the northern foothills of the City which with OS5 zoning and a General Plan designation of Rural Density Residential. The applicant requested the OS5 zone be applied to the property with the General Plan land use designation of Rural Density Residential.

The City Council accepted the petition of annexation on August 26, 2014. It then set into motion a timeline of protest and public comment periods with October 27, 2014, as the last day to file a protest. No protests were received. Utah County was also required to certify the petition and provide evidence to the City of the certification. That took place on September 30, 2014. Mayor Pro Tem Andersen asked if it was the same issue a Mr. King had raised with the City Council previously. Mr. Hirst confirmed that it was.

Mr. Macdonald asked to clarify that if the land was City property it could not be hunted on, but if it were State property, it could be. Mr. Hirst said that was correct, that technically the land was Utah County land and shooting was allowed there. The annexation of the 16.477 acres would prevent shooting there. As part of the annexation, the sign for the Timpanogos Wildlife Management Area (WMA) would be moved up to the boundary to make a cleaner boundary.

Mayor Pro Tem Andersen said Mr. King had mentioned that the signs were not clear. Mr. Hirst said that previously there were signs about where shooting could take place, but it was not as clear as it could be. With the annexation, the sign would be made clearer and more prominent so the designation of where the wildlife area would meet the City would be clearer.

Mayor Pro Tem Andersen opened the public hearing.

Kirk Beecher with the Central Utah Water Conservancy District stated that the CUWCD which owns the bottom third of the property, said they were in favor of the annexation.

Mayor Pro Tem Andersen closed the public hearing.

Mr. Sumner asked if the annexation would cost the City anything. Mr. Hirst said it would only be the small cost for new signs and their relocation. There were no tax entities involved, and the WMA was going to use a volunteer project to relocate their sign.

Mr. Macdonald **moved**, by ordinance, to annex approximately 16.477 acres of property located generally at 1250 East Cascade Drive, and designate the annexed property Rural Density Residential on the General Plan land use map, and amend Article 22-5-3(A) and the zoning map of the City by zoning the property OS5. Mr. Spencer **seconded**. Those voting aye: Hans Andersen, Margaret Black, Tom Macdonald, David Spencer, Brent Sumner. Motion **passed** unanimously.

6:30 P.M. PUBLIC HEARING

ORDINANCE - Amending the Current Fiscal Year 2014-2015 Budget

Richard Manning, Administrative Services Director, and Brandon Nelson, Finance Division Manager, presented.

The Fiscal Year 2014-2015 City of Orem budget has many adjustments that occur throughout the fiscal year. These adjustments include grants received from Federal, State, and other governmental or private entities/organizations; funding of a major water pipeline improvement project; purchase of a new server through a capital lease; the receipt and subsequent disbursement of funds to liquidate debt related to the sale of Midtown Village; the receipt of additional funds and their subsequent disbursement related to the sale of a piece of property in the Northgate SID; and various other smaller technical corrections or minor budget adjustments that need to be made.

Mr. Nelson said that there were essentially five items related to the budget amendments. Approximately \$300,000 was related to grants that had been awarded to the City, so those associated revenues and expenditures would need to be accounted for so that the departments that were awarded the grants can spend that money.

Mr. Nelson stated the sale of the Midtown project provided additional revenue in the amount of 2.7 million from the purchaser and the remaining bond amount that needed to be accommodated for.

Mr. Nelson continued that the Northgate SID project also received an additional amount from a sale of property that was to be paid toward the additional principle on the outstanding bonds for that SID. Those funds were not budgeted, so that additional principle would need to be accounted for through an amendment.

Mayor Pro Tem Andersen and Mr. Macdonald asked the dollar amount of that additional principle. Mr. Nelson said it was \$150,000. Mayor Pro Tem Andersen asked if that would close the Northgate account. Mr. Nelson stated it would not.

Mr. Nelson advised that two \$300,000 payments had been made from the Metropolitan Water District of Orem that went toward the Alta Springs ditch pipeline water project. One of the

payments was paid last year but ended up in the fund balance of the water fund. That money was now being appropriated to the Alta Springs project, along with the second payment.

Mr. Nelson stated that a new server in the IT department had been added through a capital lease, so the cost of that server, which was a little over \$64,000, needed to be accounted for.

Mayor Pro Tem Andersen opened the public hearing. No comments were made, so Mayor Pro Tem Andersen closed the public hearing.

Mrs. Black **moved**, by ordinance, to amend the Current Fiscal Year 2014-2015 Budget. Mr. Macdonald **seconded**. Those voting aye: Hans Andersen, Margaret Black, Tom Macdonald, David Spencer, Brent Sumner. The motion **passed** unanimously.

ORDINANCE – Creating the CARE Tax Advisory Commission

Steven Downs noted that on August 2, 2013, the City Council passed a resolution was passed which stated:

“The City Council expresses its intent to create a citizens’ CARE Tax Advisory Commission to make recommendations to the City Council regarding how CARE funding should be allocated. The CARE Tax Advisory Commission will actively seek input from recreational organizations, cultural arts organizations and citizens, and will consider priorities outlined in the Strategic Plans of the Recreation Advisory Commission and the Orem Arts Council, before making its recommendations to the City Council.”

The creation of the CARE Tax Advisory Commission fulfills the intent of the City Council to involve additional citizens in the CARE allocation process.

Mr. Downs reminded the City Council that in November 2013, the CARE tax was adopted and renewed for an additional ten years. Since that time staff had presented to the Council ideas of what the CARE Tax Advisory Commission might look like, the responsibilities of that commission, and the term which people would serve.

Mr. Downs said that the commission would be created by an ordinance, and the nature of the commission would be similar to other commissions that were already in place. There would be seven members of the CARE Tax Advisory Commission that would serve two year terms, initially staggered so that all seven members would be put in place at once, with four of those serving a one year term and the remaining three serving a two year term. Those serving only one year could be reappointed, but the initial terms would be staggered so that all seven positions would not come due at the same time.

Mr. Downs noted that, like other City commissions, members would not be compensated but reimbursed only for expenditures in the line of duty. Members of the commission would be representatives from the community who had no direct benefit from the allocation. The names would be brought forth through the recruitment process and City Council recommendations, and would ultimately be approved by the City Council. The staff would be appointed by the City Manager and staff responsibility would be to organize the meetings, and to compile and distribute reports, applications, and other related information.

Mrs. Black stated that the majority of existing City commissions had three-year terms and wondered why that particular commission was only two-year terms. Mr. Downs said the term length could easily be changed to three years, but that previous presentations on the commission had specified a two-year term. He said he saw no concern with lengthening the term to three years.

Mr. Downs then said the responsibilities of the commission would be to consider the priorities outlined in the Arts Council Strategic Plan, participate with the City Council in hearing from applicants and give their opinion to the Council regarding the CARE allocation, and other duties as assigned.

Mr. Sumner said he wanted to clarify that the commission would advise and give recommendations but would not be a decisive body. Mr. Downs agreed, saying they would not make official recommendations but would join with the City Council in hearing applicants and give opinions to help form a recommendation that would ultimately be adopted by the Council.

Mr. Spencer clarified that the responsibilities of the commission would be similar to other advisory boards. Members would generally discuss smaller grant items and that larger grant items would be discussed with the City Council. Mr. Downs said the commission would help to form recommendations but would not at any time hear presentations without the City Council and would not make decisions.

Mrs. Black asked about the term lengths for other city commissions. Mr. Stephens advised that most City commissions had terms of three years, but some like the Strategic Plan Advisory Commission and the CDBG Advisory Commission had two-year terms, while the Senior Citizen Advisory Commission had four-year terms.

Mrs. Black asked the general thoughts of the Council on the term length for the proposed commission.

Mr. Spencer suggested starting with a three-year term and having some members stagger at two years instead of one. Mrs. Black agreed.

Mr. Macdonald said he saw no problem in asking for the commissions to make official recommendations because those recommendations would not bind the City in any way, and official decisions would still be up to the City Council. Mr. Macdonald pointed out that the Library board and the Planning Commission made recommendations, so it would be reasonable for the CARE Tax Advisory Commission to do so. That way they would be more involved in decision making, but the City Council would have the power to modify and ultimately approve recommendations. Mr. Downs stated that the original proposal for the commission did have language regarding the hearing of applicants and then making recommendations to the City Council, but the majority of the Council had asked for that to be revised and to have all presentations made to the City Council.

Mrs. Black asked if the language proposing the creation of the CARE Tax Advisory Commission would limit the City in how the commission would be run, and how involved the commission would be regarding recommendations and decision making.

Mr. Stephens said the Council would have some discretion in how the commission was utilized.

Subsequent to Council and staff discussion on the procedure of appointments to that and other commissions, Mrs. Black **moved**, by ordinance, to create the CARE Tax Advisory Commission with the term of service on that commission being three years, with the exception of the initial members of the commission being two- and three-year terms of service for staggering purposes. Mr. Macdonald **seconded**. Those voting aye: Hans Andersen, Margaret Black, Tom Macdonald, David Spencer, Brent Sumner. The motion **passed** unanimously.

Amplified Sounds in Parks

Karl Hirst addressed the City Council about a memo that had been sent regarding amplified sound in the park, which had typically been managed under policy set by the recreation director. That section of the park management policy, which included a list of activities that would be prohibited in city parks, had not been reviewed or updated in decades. Mr. Hirst stated that he wanted to have the policy put into the City Code, and that he was uncomfortable being the one who could grant exceptions to the policy.

Mr. Hirst suggested that the language of the policy be structured to become an addition to the Parks section of the City Code, which would list what activities were prohibited as well as activities exempted from those prohibitions, like City-sponsored events, while leaving some decision-making power for the recreation manager.

Mr. Hirst said he also wanted to look at updating the park rental fees, particularly in view of companies that wanted to rent an entire park for commercial activities. Businesses would want to charge fees for things like concerts within the parks, which was prohibited at the time in Orem parks. Additionally, most park rental fees were set up for family parties and reunions, and were not in line with what a commercial enterprise should be charged to use the park.

Mrs. Black asked for clarification on the City Council's role in the discussion. Mr. Hirst stated that he was looking to add the list of prohibited events, as well as the list of exceptions, to the City Code and get guidance from the City Council on any additional exceptions they might want to approve. Mr. Hirst said that when commercial groups like the Princess Festival applied to host a prohibited event in the parks, and he had to deny those requests because the activities would be illegal based on policy. There was pressure on him to reconsider because the decision was based on policy instead of code.

Mayor Pro Tem Andersen asked about the City's liability if the policy was changed to code.

Mr. Stephens read from the City Code, Section 13-1-4:

It shall be unlawful for any person to conduct any revenue-generating event in or on City-owned property without first having received permission from the Department of Recreation.

Mr. Stephens continued that a commercial event would be considered illegal unless it was approved by the recreation director. The concern then would be when an event should or should not be approved, and so Mr. Hirst was looking for direction in an ordinance from the City Council on those matters.

The City Council had questions about the Department of Recreation's policy and why certain events would be illegal. Mr. Hirst explained that it was for the impact of sound on surrounding neighborhoods, which was a concern.

Mr. Sumner asked about any response from neighborhoods, and Mr. Hirst stated that tonight was the first time it had been discussed.

Mr. Hirst said he hoped for further discussion with the Recreation Advisory Commission and the City Council at a later time about changing the recreation department policy into the Parks section of the City Code.

Appointments to Board and Commissions

Brenn Bybee asked for direction from the Council on the process of filling those openings on city boards and commissions and what could be improved in the hopes of helping the City Council move the process along.

The City Council asked for an executive summary with a complete list of all applicants and the top three choices of boards or commissions to participate in from each applicant, so that the many talented applicants could be utilized in one way or another. They asked for time to discuss and perhaps meet with the applicants in a less formal setting, like a premeeting session, to get a better understanding of how best to appoint applicants.

Mr. Bybee reassured the City Council that they would be provided with updated lists that included applicant's three choices. The general consensus was to set aside time in the December 9th 2014, City Council premeeting to meet with applicants.

Update – Nuisance Ordinance – Police Chief Gary Giles

As the issue had been discussed in the study session earlier, Chief Giles addressed a follow-up question from Mr. Spencer about the procedure for a citizen who suspected drugs might be a problem in their neighborhood. Chief Giles advised that calling 801-229-7070, the dispatch nonemergency number, instead of 911, was the best thing to do as far as reporting a noise ordinance problem with party houses or suspected drug activity.

Mr. Spencer asked if taking pictures of suspicious persons' license plates was appropriate in those situations. Chief Giles said that it was, that the citizens were the eyes and ears of the police, and that doing so would provide important information to police to assist in their investigations.

COMMUNICATION ITEMS

There were no comments on the communication items.

CITY MANAGER INFORMATION ITEMS

Mr. Bench reminded the City Council about an upcoming discussion on proposed amendments to the PD-21 (Wolverine Crossing) area ordinances and pointed out specific data that would be reviewed at that time.

ADJOURNMENT

Mr. Macdonald **moved** to adjourn the meeting. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Tom Macdonald, David Spencer, Brent Sumner. The motion **passed** unanimously.

The meeting adjourned at 7:43 p.m.

Donna R. Weaver, City Recorder

Approved: December 9, 2014