



**AGENDA FOR THE WORK / STUDY MEETING
OF THE CITY COUNCIL
OF THE CITY OF SPRINGVILLE, UTAH
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET
OCTOBER 06, 2015 – 5:15 P.M.**

MAYOR AND COUNCIL DINNER – 4:45 P.M.

The Mayor and Council will meet in the Council Work Room for informal discussion and dinner. No action will be taken on any items.

CALL TO ORDER- 5:15 P.M.

COUNCIL BUSINESS

1. Calendar

- October 12 – Columbus Day (Library Closed for Annual Training)
- October 13 – Work/Study Meeting 5:15 p.m.
- October 20 – Work/Study Meeting 5:15 p.m., City Council Meeting 7:00 p.m.
- October 31 – Halloween (City Down Town Trick-or-Treat 3:00 p.m. – 5:00 p.m.)
- November 01 – Day Light Savings Time Ends
- November 03 – Election Day (No City Council meeting)
- November 10 – Work/Study Meeting 5:15 p.m.

2. Discussion on this evening's Regular Meeting agenda items

- a) Invocation – Councilmember Creer
- b) Pledge of Allegiance – Councilmember Conover
- c) Consent Agenda

Approval of City purchase orders required to be signed per Springville City Code §2-10-110(5)

3. **DISCUSSIONS/PRESENTATIONS**

- a) Signs – John Penrod, Assistant City Administrator/City Attorney
- b) Training – Finance

4. **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

5. **CLOSED SESSION**

The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

ADJOURNMENT

CERTIFICATE OF POSTING

The undersigned duly appointed City Recorder of Springville City, does hereby certify that the above notice and agenda was posted within the Springville City limits on October 02, 2015 at Springville City Hall, on the City Hall Notice Board, on the Springville City website at www.springville.org/agendasminutes on the Utah Public Notice Website at <http://www.utah.gov/pmn/index.html> and provided to at least one newspaper of general circulation within the geographic jurisdiction of the public body

/s/ Kim Rayburn, City Recorder

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.



**AGENDA FOR THE REGULAR MEETING
OF THE CITY COUNCIL
OF THE CITY OF SPRINGVILLE, UTAH
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET
OCTOBER 06, 2015 – 7:00 P.M.**

CALL TO ORDER

INVOCATION AND PLEDGE

APPROVAL OF THE MEETING'S AGENDA

MAYOR'S COMMENTS

PUBLIC COMMENT: *Audience members may bring any item not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.*

CEREMONIAL AGENDA

1. Wasatch Disc Golf Club – Sonny Toddhunter

CONSENT AGENDA*

2. Approval of City purchase orders required to be signed per Springville City Code §2-10-110(5)
3. Approval of Minutes

PUBLIC HEARING

4. Consideration of declaring the developer of the G Gallier Subdivision in default of satisfactorily installing the required subdivision improvements and authorizing the City Engineer to move forward with a written demand to collect the improvement completion assurance funds to complete the G Gallier Subdivision improvements.

REGULAR AGENDA

5. Consideration of waiving the requirement for the developer of the Woodsprings Subdivision to provide a street extension to the undeveloped parcel to the west of the Woodsprings Subdivision – Fred Aegerter, Community Development Director
6. Consideration of an ordinance amending section 11-6-121 of the Springville City Development Code in regards to flag lot development requirements– Fred Aegerter, Community Development Director

This meeting was noticed in compliance with Utah Code 52-4-202 on October 02, 2015. Agendas and minutes are accessible through the Springville City website at www.springville.org/agendasminutes. Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

- Kim Rayburn, City Recorder

The next regular Council Meeting will be held on October 20, 2015 at 7:00 p.m. in the Civic Center Council Chambers, 110 South Main Street, Springville, unless otherwise noticed. In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

*The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.

THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE

7. Consideration of an application for a Class C Beer License to Strap Tank Brewing Company A at approximately 569 South 1750 West, Springville Utah – Kim Rayburn, City Recorder
8. Consideration of joining UAMPS Natural Gas Project – Leon Fredrickson, Power Director
9. Consideration of the Springville City Economic Development Master Plan 2015 – Troy Fitzgerald, City Administrator
10. Consideration of a Resolution for the purchase of Nebo School District surplus property – John Penrod, Assistant City Administrator/City Attorney
11. Consideration of an agreement with Outlook – John Penrod, Assistant City Administrator/City Attorney
12. Consideration of a guarantee for trails in the Outlook subdivision – John Penrod, Assistant City Administrator/City Attorney

MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS

CLOSED SESSION

13. *The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205*

ADJOURNMENT

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STAFF REPORT

DATE: September 30, 2015

TO: The Honorable Mayor and City Council

FROM: John Penrod, City Attorney

SUBJECT: CONSIDERATION OF DECLARING THE IMPROVEMENT COMPLETION ASSURANCE FOREFEITED FOR THE G. GALLIER SUBDIVISION AND AUTHORIZING THE CITY ENGINEER TO MOVE FORWARD WITH A WRITTEN DEMAND TO COLLECT THE IMPROVEMENT COMPLETION ASSURANCE FUNDS AND COMPLETE THE NECESSARY IMPROVEMENTS.

RECOMMENDED ACTION

Motion to Approve (1) declaring the Irrevocable Letter of Credit #47-185376 provided for the G Gallier Subdivision forfeited because the required subdivision improvements were not installed within the allowed time period and (2) authorizing the City Engineer to make written demand to Central Bank for the entire \$25,000 to complete the subdivision improvements.

BACKGROUND

In 2013, the City approved the G Gallier Subdivision, located at approximately 1415 North Main Street, Springville, Utah. As part of the subdivision, the developer was required to install certain water and storm drain improvements that totaled approximately \$25,000. *See* the attached G . Gallier Plat "A" Bond Form. The developer had until September 15, 2015 to install the required public improvements. To date, the developer has still not installed the improvements.

Under Springville City Code, the City Council is to hold a public hearing before declaring a developer's improvement completion assurance forfeited. The purpose of this matter is to hold the public hearing and determine whether the irrevocable letter of credit the developer provided to the City should be forfeited.

FISCAL IMPACT

None, unless the required improvements cost more than \$25,000 to install.

Attachments: G. Gallier Plat "A" Bond Form

SPRINGVILLE CITY
G. Gallier Plat "A" Bond Form

Subdivision Name	G. Gallier Plat "A"	Owner(s)	Glenn & Doreen Gallier	Date	12/11/2013
Bond () Cash () Letter		Name of Bank		Attn:	
Date of DRC Approval		Address of Bank			

Water

Improvement	Quantity	Unit	Unit Cost	Amount	This Draw	Release	To Date	All Draws
8" Main	355	lf	\$ 10.39	\$ 3,690.00		\$ -		\$ -
Fireline to west & plug	65	lf	\$ 10.00	\$ 650.00		\$ -		\$ -
Fireline tee & valve	1	lump	\$ 650.00	\$ 650.00		\$ -		\$ -
6" Fireline to fire hydrant	1	lump	\$ 250.00	\$ 250.00		\$ -		\$ -
Fire Hydrant Assembly	1	each	\$ 2,300.00	\$ 2,300.00		\$ -		\$ -
1" Service	1	each	\$ 900.00	\$ 900.00		\$ -		\$ -
Bedding	60	ton	\$ 11.00	\$ 660.00		\$ -		\$ -
Asphalt/trench restoration	355	lf	\$ 10.00	\$ 3,550.00		\$ -		\$ -
Sub-total Water				\$ 12,650.00		\$ -		\$ -

Storm Drain

Improvement	Quantity	Unit	Unit Cost	Amount	This Draw	Release	To Date	All Draws
Connect to existing pipe	1	lump	\$ 120.00	\$ 120.00		\$ -		\$ -
Connect to existing manhole	1	lump	\$ 400.00	\$ 400.00		\$ -		\$ -
15" Pipe (RCP)	210	lf	\$ 23.00	\$ 4,830.00		\$ -		\$ -
Inlet box (4'x4')	1	each	\$ 1,100.00	\$ 1,100.00		\$ -		\$ -
Pre-treatment device	1	each	\$ 500.00	\$ 500.00		\$ -		\$ -
Grading/berm	1	lump	\$ 400.00	\$ 400.00		\$ -		\$ -
Sub-total Storm Drain				\$ 7,350.00		\$ -		\$ -

Total \$ 20,000.00

\$ - \$ -

Percent Complete 0%
Percent Release 0%
Total Release \$ -

1st Release	
2nd Release	
3rd Release	
4th Release	
Total	\$ -

15% Contingency \$ 3,000.00
10% Warranty \$ 2,000.00
TOTAL \$ 25,000.00

Less Prior Draws \$0.00
Amount Due This Draw \$ -
Remaining Balance \$ 25,000.00

Signatures:

Brad Stapley - PW Admin

Jeff Anderson - City Engineer

Paul Curtis - PW Inspector

Date:

Street Signs	Each	Total
	\$ 200.00	\$ -
Inspection Fee		\$ 375.00
As-built Fee		\$ 2,000.00

Developer



STAFF REPORT

DATE: October 6, 2015
TO: Honorable Mayor and City Council
FROM: J. Fred Aegerter, Community Development Director
**SUBJECT: REQUEST TO ELIMINATE STUB ROAD FROM WOODSPRINGS
SUBDIVISION INTO JIM HALL PROPERTY**

RECOMMENDED MOTION

Move to retain the proposed stub road leading to the Hall property.

SUMMARY OF ISSUES/FOCUS OF ACTION

Should a stub road in the Woodsprings Subdivision be eliminated at the request of the adjacent property owner?

BACKGROUND

Springville City's Subdivision ordinance states:

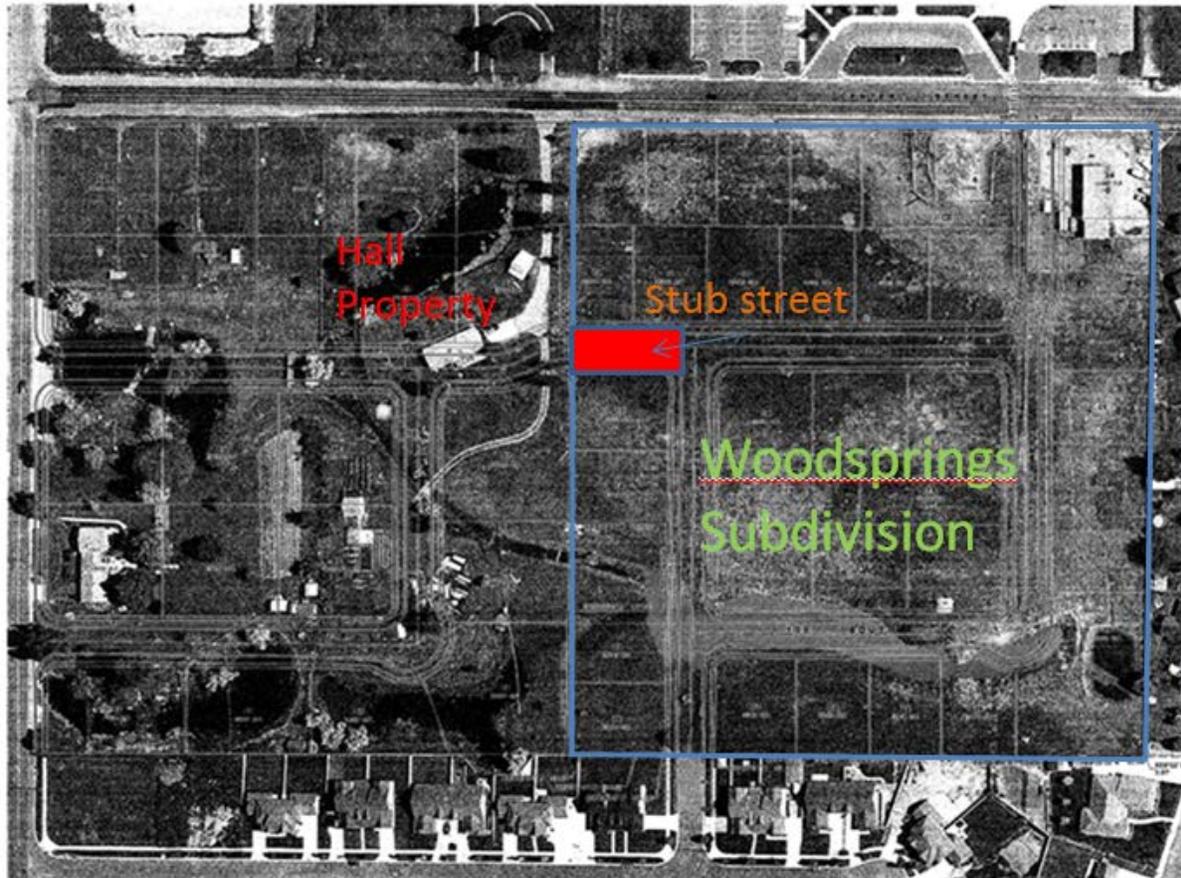
14-5-11(2) "...New subdivision developments shall make provisions for the continuation of existing streets adjacent subdivisions and shall include street extensions up to adjacent undeveloped lots at the same or greater widths unless variations are deemed unnecessary by the City Council."

As part of the process determining the location of the stub street, the developer is required to consult with property owners of undeveloped lots in determining where the future street connection should be established. The ordinance does not require a sign off from the adjacent property owner, but developers typically include a sketch of how the street might extend to allow the adjacent property to meet the block standard. This has been done in every subdivision approved since 2003.

In accordance with the ordinance, the developer, Mr. Simpson, was made aware of this requirement and approached the adjacent property owner concerning the stub street. A location to the south of this street was discussed, but the Engineering standard for the offset between the two streets couldn't be met. The reason for stub streets was discussed at the Development Review Committee meeting with Mr. Simpson and Mr. Hall in attendance. Following that meeting, Mr. Hall provided a letter to the City indicating that he does not want the road stub

CITY COUNCIL AGENDA

access to his property line as he does not foresee development of his parcel at any time. (See attachment).



ANALYSIS

The inclusion of stub streets to provide the option for access is a common planning and engineering practice. Stub streets are generally quickly connected in rapid growth areas. In other situations, they may not be connected for decades or in some cases, a century. The requirement of stub streets helps provide a network of streets that allow internal neighborhood traffic to not be dependent on arterial and major collector streets for local neighborhood trips. It also provides important alternatives for emergency vehicles and public service vehicles, along with more convenient alternative routes in emergency situations. They also become important locations for public utilities as further development occurs.

The requirement of stub streets in connection with block standards also become important to ensure that options of providing access for large parcels of property are available, helping to lessen the need for flag lots and better utilizing land.

Cities accomplish connectedness through various means. Provo City required property owners to participate in the development of an overall streets master plan on the west side of the community. This was to help ensure that streets that were needed for good neighborhood circulation and connection to other parts of the city were all agreed to before development could occur.

In Springville, we have identified the major streets and utilized the block standard to create a street pattern that works in the neighborhood and ultimately connects outside of it. There have been dozens of stub streets installed to help accomplish this pattern for future development.

While Staff understands Mr. Hall's concerns of development adjacent his property and the potential loss of privacy, the stub street is not on his property. If he chooses to never develop his property, he will not be affected. We are all aware of situations of property owners indicating that their property will never be subdivided, but immediately after the death of a family member or other major life event, what was thought would never happen does happen. The inclusion of stub streets is not to infringe on anyone's property right, it is to ensure that if and when the property does become available for development at some future date, that neighborhood access is provided and a thoughtful street pattern is established. It is an exercise in looking at the long-range good of the City.

ALTERNATIVES

1. Retain the stub street
2. Eliminate the stub street

September 21, 2015

Springville City Corporation

To Whom it May Concern:

This letter is written to clarify my understanding of the proposed *Woodsprings Estates* development located at approximately 725 West Center Street in Springville.

Following discussion with Dave Simpson, representative of the above-mentioned property owner, the following items have been agreed upon at no cost to me:

1. There will be a 6-foot vinyl privacy fence along the west property line of lots #1, 12, 13 & 14 of the development, and the south edge of lot #14. The remainder of the west property line to the south entrance of the development will be 5-foot mesh fencing.
2. All utilities to two future lots #35 & 36.
3. Road improvement, curb & gutter w sidewalks along the east edge of lots #35 & 36.

The above listed improvements will be completed with minimal disturbance to my property.

I do not want road stub access to my property line. I do not foresee development of my parcel any time in the future.

Sincerely,



Jim A. Hall
855 West Center Street
Springville, UT 84663



STAFF REPORT

DATE: September 15, 2015

TO: Honorable Mayor and City Council

FROM: J. Fred Aegerter, Community Development Director

SUBJECT: **MATTHEW MECHAM SEEKING TO AMEND SECTION 11-6-121 OF THE SPRINGVILLE CITY DEVELOPMENT CODE IN REGARDS TO FLAG LOT REQUIREMENTS.**

RECOMMENDED MOTION

Move to approve Ordinance No. ____-2015, amending the flag lot requirements found in Section 11-6-121 of the Springville City Development Code.

SUMMARY OF ISSUES/FOCUS OF ACTION

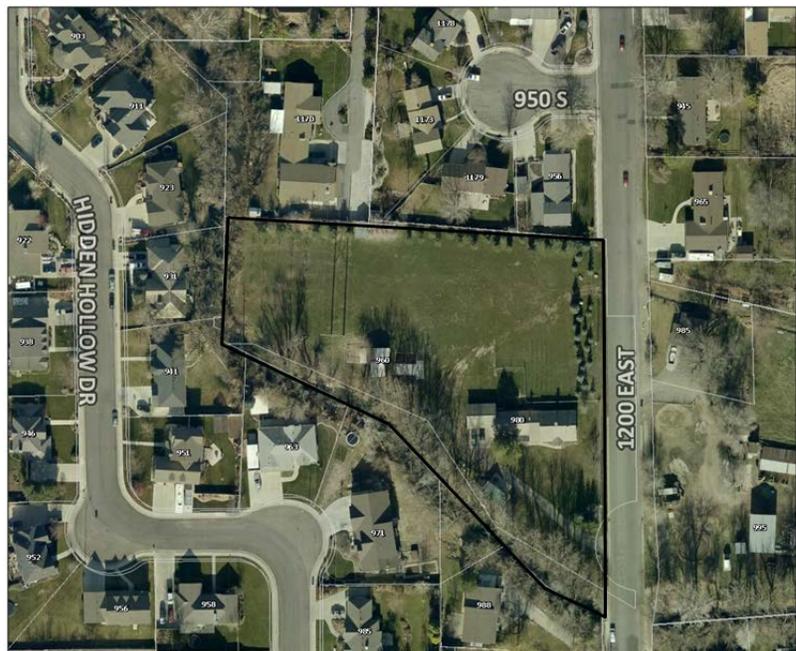
- Do the proposed amendments maintain the intent of the General Plan?
- Does the proposed request meet the requirements of the Springville City Code, particularly 11-7-1, Amendments to the Title and Zone Map?

BACKGROUND

Flag lots are intended to allow development of substantial, buildable properties where the extension of public streets cannot or should not be extended, due to sensitive land, topographic or other natural features.

Mr. Mecham owns 2.5 acres of property at 980 South 1200 East and would like to propose a subdivision that would include two flag lots abutting each other with one shared 30' access.

The current flag lot ordinance would require each flag lot to



have a 30' access, essentially leaving a 60' wide access way serving two-lots.

DISCUSSION

Planning staff has met with the applicant several times in finding the best practical way to develop his property. The property is a prime candidate for allowing flag lots due to the topographical constraints with adjacent Hobble Creek and developed areas, which prohibit the development of a public street.

Staff researched different municipalities' flag lot ordinances in regards to the minimum lot size, access width and length, setbacks and number of lots allowed on one access and found that Springville is generally the most restrictive.

CITY	MINIMUM LOT SIZE	MINIMUM ACCESS WIDTH & LENGTH	MINIMUM SETBACKS	NUMBER OF LOTS ALLOWED ON ONE ACCESS
Springville	20,000 sf	30' W 120' L - Max	75' from occupied structure + underlying zone	1
Orem	125% of minimum of underlying zone	Min 20' W Max 26' W No more than 10% of lot area	At least 2 yards setback 25' remaining 2 based on height of structure*	4
Pleasant Grove	Underlying zone	Min 25' W Min L is min lot width of zone. Max L of 300'	Underlying zone	3
South Jordan	Underlying zone minus access portion	In compliance with fire code standards	Underlying zone	2
Provo	Underlying zone	Min 20' W Max 200' L	Underlying zone	2
Salt Lake County	1.5 times the underlying zone	Min 20' – Max 150' L Min 25' –greater than 150' L	20-25' from all adjacent property lines	No max

*limited to single-story in smaller lot zones.

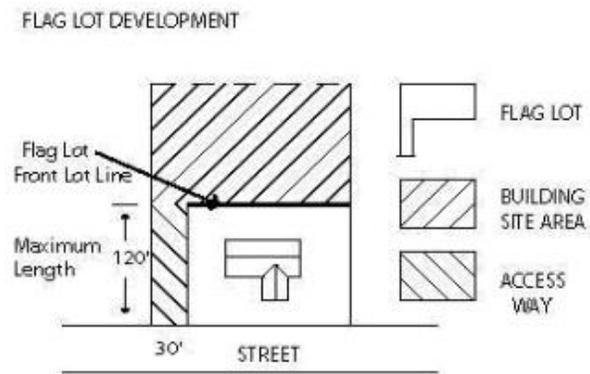
The following proposed amendments were drafted from the discussion with the applicant in cooperation with staffs' recommendations. New language is shown as underlined with deleted language being ~~struck through~~.

11-6-121 Flag Lot Development.

Purpose: Flag lots are intended to allow development of substantial, buildable properties where the extension of public streets cannot or should not be extended, due to sensitive land, topographic or other natural features. Additionally, constraints created by the existing built environment may be a consideration. Lot size for such uses is necessarily large to help insure privacy of adjacent properties ~~who~~that are most impacted by the development of the flag lot(s).

(1) ~~The Planning Commission~~ Community Development Director may, ~~as a special exception,~~ approve the creation of a flag lot and/or the construction of a one family dwelling on a flag lot. Approval shall be subject to the following ~~determination by the Commission:~~

- (a) the site is not developable under conventional development standards and procedures;
- (b) no area, setback, or other variance will be required to allow the proposal;
- (c) the proposal is compatible with the existing development, in terms of height, building materials and animal keeping and approval of the dwelling will not adversely affect the living environment of the surrounding area;
- (d) no deleterious objects or structures shall be constructed or maintained on the premises;
- (e) no home occupation or other commercial activity shall be conducted;
- (f) the proposed landscaping and fencing will adequately protect the privacy of adjacent properties; and
- (g) public safety issues, such as fire hydrants, have been adequately addressed.



(2) Submission Requirements. A detailed site plan shall be submitted for review by the ~~Planning Commission~~ Community Development Director. Said site plan shall include:

- (a) All existing and proposed structures on the building site and adjacent parcels, driveway and parking areas and the area on the site to be landscaped;
- (b) Proposed access to the building site along an access way which shall not be less than thirty (30) feet in width nor more than one hundred twenty (120) feet in length; Two (2) adjoining flag lots may share one access way when designated as a right-of-way easement for the perpetual use of the adjoining flag lots and as a public utility easement. At least twenty-four (24) feet for the full length of the access way shall be paved with either concrete or asphalt. No parking will be allowed on any portion of the access way. The portion of the access way that is unpaved shall be landscaped;
- (c) The proposed area of a building site, which shall not be less than twenty thousand (20,000) square feet, exclusive of the access way;
- (d) The setbacks from property line to the proposed structure, which shall meet the requirements of the underlying zone, except for side yards that abut existing rear yards, which shall be setback at least twenty (20) feet;
- (e) ~~The setback from existing occupied structures on neighboring properties to any structure on the proposed flag lot, which shall be at least seventy (70) feet; and~~ The proposed width of the building site, which shall meet the minimum width of the underlying zone and extend at least 67% of the depth of the lot.

(f) The existing height of buildings located on adjacent properties.

~~(3) All construction shall be in accordance with the site plan as approved by the Planning Commission. An approval by the Planning Commission shall run with the owner and shall be valid only for a period of one (1) year from the date of approval. If the ownership of the parcel changes before the issuance of a building permit, or if said permit is not obtained and construction commenced within one (1) year from date of approval, said approval shall be null and void.~~

PLANNING COMMISSION REVIEW

The Planning Commission considered the proposed amendments after holding a public hearing on the item at the September 8, 2015 Planning Commission meeting. A summary of the comments/discussion follows:

Commissioner Clyde stated the current code allowed flag lots on a building site of 20,000 square feet exclusive of the access way. He questioned if there would be two houses on a 20,000 square foot lot with the new changes. Director Aegerter stated each lot would have to have 20,000 square feet. Commissioner Baker questioned why the sunset clause was being removed. Director Aegerter stated if the standards were met, there was no need for it to go to the Planning Commission again. He added it was vested in the lot, not whomever had it approved. Commissioner Clyde suggested a change in wording in Section 2b. He suggested it say "At least twenty-four (24) feet width for the full length of the access way shall be paved with either concrete or asphalt." The other Commissioners agreed.

Chair Young asked if the applicant, Mr. Mecham would like to address the Commissioners.

Mathew Mecham addressed Commissioners and stated the paved surface would not be any different than what the standard was currently. He added the requirement was twelve feet of paved surface. He stated that compared to other cities, Springville's standard was by far the most restrictive. Chair Young asked if there were any questions for Mr. Mecham. There were none.

Chair Young opened the public hearing, where no one came forward.

COMMISSION ACTION:

Commissioner Huff moved to recommend approval of the proposed amendments to Section 11-6-121 of Springville City Development Code, in regards to the development of flag lots with the following change to Section 2b. ~~At least twenty-four (24) feet of the access way shall be paved with either concrete or asphalt.~~ At least twenty-four (24) feet width for the full length of the access way shall be paved with either concrete or asphalt. Commissioner Clay seconded the motion. The vote was as follows:

Commission Vote

<u>Commissioner</u>	<u>Yes</u>	<u>No</u>
Craig Huff	X	
Frank Young	X	
Genevieve Baker	X	
Joyce Nolte	X	
Michael Clay	X	
Brad Mertz	X	
Carl Clyde	X	

ALTERNATIVES

1. Adopt the zoning amendment/ordinance as proposed.
2. Amend and adopt the proposed zoning amendment/ordinance.
3. Reject the proposed zoning amendment/ordinance.

Laura Thompson
City Planner

Attachments

cc: Matthew Mecham

ORDINANCE NO. ____-2015

AN ORDINANCE AMENDING SECTION 11-6-121 OF THE SPRINGVILLE CITY DEVELOPMENT CODE IN REGARDS TO FLAG LOT DEVELOPMENT REQUIREMENTS.

Be it ordained by the City Council of Springville, Utah:

SECTION 1: Section 11-6-121 of Springville City Code is hereby amended to read as follows:

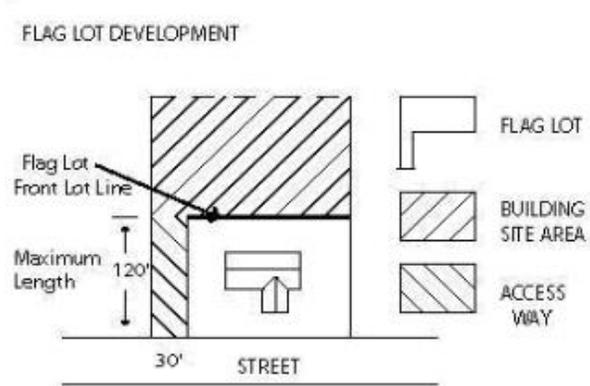
11-6-121 Flag Lot Development.

Purpose: Flag lots are intended to allow development of substantial, buildable properties where the extension of public streets cannot or should not be extended, due to sensitive land, topographic or other natural features. Additionally, constraints created by the existing built environment may be a consideration. Lot size for such uses is necessarily large to help insure privacy of adjacent properties ~~who~~that are most impacted by the development of the flag lot(s).

(1) ~~The Planning Commission~~ Community Development Director may, ~~as a special exception,~~ approve the creation of a flag lot and/or the construction of a one family dwelling on a flag lot. Approval shall be subject to the following ~~determination by the Commission:~~

- (a) the site is not developable under conventional development standards and procedures;
- (b) no area, setback, or other variance will be required to allow the proposal;
- (c) the proposal is compatible with the existing development, in terms of height, building materials and animal keeping and approval of the dwelling will not adversely affect the living environment of the surrounding area;
- (d) no deleterious objects or structures shall be constructed or maintained on the premises;
- (e) no home occupation or other commercial activity shall be conducted;
- (f) the proposed landscaping and fencing will adequately protect the privacy of adjacent properties; and

- (g) public safety issues, such as fire hydrants, have been adequately addressed.



(2) Submission Requirements. A detailed site plan shall be submitted for review by the ~~Planning Commission~~ Community Development Director. Said site plan shall include:

- (a) All existing and proposed structures on the building site and adjacent parcels, driveway and parking areas and the area on the site to be landscaped;
- (b) Proposed access to the building site along an access way which shall not be less than thirty (30) feet in width nor more than one hundred twenty (120) feet in length; Two (2) adjoining flag lots may share one access way when designated as a right-of-way easement for the perpetual use of the adjoining flag lots and as a public utility easement. At least twenty-four (24) feet for the full length of the access way shall be paved with either concrete or asphalt. No parking will be allowed on any portion of the access way. The portion of the access way that is unpaved shall be landscaped;
- (c) The proposed area of a building site, which shall not be less than twenty thousand (20,000) square feet, exclusive of the access way;
- (d) The setbacks from property line to the proposed structure, which shall meet the requirements of the underlying zone, except for side yards that abut existing rear yards, which shall be setback at least twenty (20) feet;
- (e) ~~The setback from existing occupied structures on neighboring properties to any structure on the proposed flag lot, which shall be at least seventy (70) feet; and~~ The proposed width of the building site, which shall meet the minimum width of the underlying zone and extend at least 67% of the depth of the lot.

(f) The existing height of buildings located on adjacent properties.

~~(3) All construction shall be in accordance with the site plan as approved by the Planning Commission. An approval by the Planning Commission shall run with the owner and shall be valid only for a period of one (1) year from the date of approval. If the ownership of the parcel changes before the issuance of a building permit, or if said permit is not obtained and construction commenced within one (1) year from date of approval, said approval shall be null and void.~~

SECTION 2: This ordinance will become effective one day after publication hereof in the manner required by law.

SECTION 3: The City Recorder shall cause this ordinance or a short summary hereof to be published in the *Daily Herald*, a newspaper published and of general circulation in the City.

ADOPTED by the City Council of Springville, Utah, this 6th day of October, 2015.

Wilford W. Clyde, Mayor

ATTEST:

City Recorder



STAFF REPORT

DATE: September 30, 2015
TO: Honorable Mayor and City Council
FROM: Heather Bakker, Business Licensing
SUBJECT: CLASS C BEER LICENSE FOR STRAP TANK BREWING COMPANY

RECOMMENDED MOTION

Motion to APPROVE THE ISSUANCE OF A CLASS C BEER LICENSE TO **STRAP TANK BREWING COMPANY LOCATED AT 569 SOUTH 1750 WEST**

BACKGROUND

Springville City Municipal Code requires any person engaging in the business of beer retailer, in bottles, original containers, or draft, within the limits of the City to first procure a license from the City as provided in Title 7, Chapter 3.

- No license may be granted to sell beer in any dance hall, theater, or in the proximity of any church or school.
- The license shall at all times be conspicuously displayed on the premises.
- All licensees shall comply with the Utah Alcoholic Beverage Control Act and the regulations of the Utah Alcoholic Beverage Control Commission.
- All licensed premises shall be subject to inspection by any officer, agent, or peace officer of the City, the State Liquor Control Commission, or the Utah County Health Department; and every licensee shall at the request of the Utah County Board of Health furnish to it samples of beer which the licensee shall have for sale.
- A person under the age of twenty-one (21) may not sell beer on the premises of a beer retailer for off-premise consumption.
- It shall be unlawful to sell beer to any person under the age of twenty-one (21) years, or to any person who is intoxicated or under the influence of an intoxicating beverage.
- It shall be unlawful to advertise the sale of beer, except under such regulations as are made by the Alcoholic Beverage Control Commission.
- Licensed premises shall be kept brightly illuminated at all times while occupied for business, and no booth, blind or stall shall be maintained unless all tables, chairs, and occupants, if any therein, are kept open to the full view from the main floor at the entrance of such licensed premises.
- No licensee shall violate the terms of the license issued; nor, unless he shall be so licensed, shall he sell beer in the original containers, or draft beer for consumption on the premises, or permit any beer to be consumed on the premises.

CITY COUNCIL AGENDA

October 6, 2015

- It shall be unlawful for any person to sell beer to any person between the hours of 12:00 midnight and 6:00 a.m.
- It shall be unlawful for any person to sell beer through a “drive-up” window, meaning that beer cannot be sold or dispensed to any person sitting in a motor vehicle or on a motorcycle.
- If a beer retailer sells alcoholic beverages for off-premise consumption, the beer retailer shall not place any alcoholic beverage for sale or storage within fifteen (15) feet of any and all of the beer retailer’s customer entrances.
- A licensee involved in the transaction of retail beer sales for off-premise consumption (Class “A” retail sales) shall require any and all employees who directly supervise the sale of beer to a customer for consumption off the premises, or who sells beer to a customer for consumption off the premises, to obtain a Certificate of Completion from a statewide alcohol training and education seminar as required by Utah State Code Section 32A-10-103 and 62A-15-401.
- All employees of a Licensee involved in the transaction of retail beer sales will be required to possess and wear a unique identification badge while on duty. This badge shall be worn on the front of the employee’s clothing, visible above the waist, bearing the first or last name, initials, or unique identification letters or numbers that are sufficiently large to be clearly visible and identifiable.
- The Licensee is required to inform the City of any employee possessing a valid certificate whose employment is terminated for conduct that would be punishable under the statutes or ordinances regulating alcoholic beverages.
- Licensees shall maintain a record of badges assigned and the record must be available for immediate inspection. The record must include the employee’s full name, address, and driver license number or similar identification number.
- Licensees shall permit law enforcement officers and Utah County Health Department employees to conduct random compliance checks on licensee’s premises.

DISCUSSION

The Code requires the applicant to meet several requirements before a license is issued.

1. Any applicant, partner, managing agent, officer or director who holds at least 20-percent stock of the applicant corporation will not be allowed to sell beer at retail unless he shall be of good moral character, over the age of 21, and a citizen of the United States
2. A license shall not be issued to anyone who has been convicted of any felony, or any violation of a federal, state or city law concerning the sale, manufacture, distribution, warehousing, adulteration, or transportation of alcoholic beverages.
3. A license shall not be issued to anyone who has been convicted of a violation relating to alcoholic beverages, or of drunken driving, or of keeping a gambling or disorderly house.
4. One Class “C” license will be available to a Tavern or other qualified applicant for every 6,000 people within the City of Springville as determined by the most recent

CITY COUNCIL AGENDA

October 6, 2015

Strap Tank Brewing Company

Governor's Office of Budget and Planning report. The report shall be rounded to the nearest 1,000 people and the number of licenses available shall always be rounded down to a whole number.

5. No on-premise beer retailer premises shall be established and no Class "C" license shall be granted to any person to sell beer within 180 feet of any public or private school, church, public library, public playground, or park and it shall be unlawful for any person to sell beer for consumption on the premises on which the beer is sold within 180 feet of any public or private school; The distance shall be measured in a straight line from the nearest entrance of the building where the beer is or will be sold to the nearest property boundary of the public or private school, church, public library, public playground, or park.

Strap Tank Brewing Company is owned by Victoria Salisbury. She is in good standing with the Division of Corporations and Commercial Code. Mrs. Salisbury has provided a background check for the October 6, 2015 City Council.

This is a new brewery and restaurant serving beer and wine in Springville City. There are no schools, churches, public libraries, public playgrounds, or parks in the vicinity.

FISCAL IMPACT

A separate business license will be procured when the building is completed and ready for occupancy. The beer license fee (\$300.00) and application fee (\$100.00) will be collected. Expenses anticipated by the City are costs for the enforcement of the beer licensing provisions by the police department and code enforcement officer.

Heather Bakker
Business Licensing

Attachments

cc: Kim Rayburn, City Recorder



STAFF REPORT

DATE: October 1, 2015
TO: Honorable Mayor and City Council
FROM: Springville Electric Department
SUBJECT: NATURAL GAS FUEL SUPPLIER

RECOMMENDED MOTION

Motion to allow the Electric Department the authority to change natural gas fuel supplier to the UAMPS natural gas project.

GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

Springville Power annually reviews its natural gas suppliers and contracts for correctness, efficiency and financial opportunities. Springville Power has identified an opportunity to save money by changing natural gas suppliers. Currently Springville purchases natural gas from Industrial Gas Recourses (IGRC) know as Energy Strategies. The UAMPS organization offers gas management and procurement services to its members at a significant reduction in cost. It became clear after extensive review that Springville could save over \$30,000.00 annually on the management of our gas resources.

Annual Fuel Management Cost and Savings

UAMPS Fiscal Year	Fuel Purchase MMBtu	IGRC Admin Costs	IGRC Admin Cost per MMBtu	UAMPS Admin Cost per MMBtu @ \$0.03
Apr-14	1,097	\$ 3,138.58	\$ 2.86	\$ 32.91
May-14	1,038	\$ 3,248.65	\$ 3.13	\$ 31.14
Jun-14	950	\$ 3,230.11	\$ 3.40	\$ 28.50
Jul-14	6,591	\$ 2,717.06	\$ 0.41	\$ 197.73
Aug-14	18,964	\$ 2,920.05	\$ 0.15	\$ 568.92
Sep-14	5,045	\$ 3,848.29	\$ 0.76	\$ 151.35
Oct-14	4,681	\$ 2,941.29	\$ 0.63	\$ 140.43
Nov-14	951	\$ 2,908.77	\$ 3.06	\$ 28.53
Dec-14	2,894	\$ 3,204.74	\$ 1.11	\$ 86.82
Jan-15	1,861	\$ 3,924.48	\$ 2.11	\$ 55.83
Feb-15	1,439	\$ 3,732.19	\$ 2.59	\$ 43.17
Mar-15	1,106	\$ 3,528.34	\$ 3.19	\$ 33.18
Totals	46,617	\$39,342.55		\$ 1,398.51
		Possible Administration Savings		\$ 37,944.04

DISCUSSION

The natural gas terms and transactions will be reviewed annually and will consist of the following items in the resolution:

- (a) The notional amount of gas purchased under all Confirmations may not exceed **[200,000 mmbtu]** in any calendar year;
 - (b) The term of any transaction under a Confirmation may not exceed **[10]** years, unless such Confirmation is for the purchase of Prepaid Gas in which case the term may not exceed [thirty] years.
 - (c) At the time of execution, the expected price for gas purchases in a calendar year shall not exceed **[\$ 6.00/ DTH]**. For purposes of this limitation, a forward curve as of the date of any Confirmation shall be used to approximate the price of any index based transaction.
- Overall objective is to maintain a stable power rate. Springville Power's objective has been to maintain a stable power rate and has been successful in that goal over the past ten years. Springville Power employs a strategy of forward fuel purchase, market energy and resources management to accomplish this objective.
 - Additional base load Generation and Gas Purchase at the Whitehead Power Plant. The department is investigating the purchase of additional fuel and generation assets at the Whitehead Power Plant. Efficient and cost effective gas management will enhance the Power department's ability to manage fuel as needed for these generation assets.
 - Managing fuel through the UAMPS Natural Gas Project will enhance our ability to bring fuel to and from the Nebo and Whitehead Power Plants. The power and fuel markets reacts very quickly to market demands, weather conditions and power resource operations. The ability to better manage transmission and unbalanced fuel from these plants will significantly reduce market fuel losses.

ALTERNATIVES

There are three optional alternative to purchasing and managing fuel form UAMPS. The first option is to stay with Energy Strategies which is not cost effective. Second, is to procure fuel directly from CIMA or British Petroleum (BP). This option is a slightly better in costs than Energy Strategies but is still more expensive than the UAMPS Natural Gas Project. The third option is to purchase fuel directly from Questar's transportation. This option is not cost effective and could increase our cost by 15%. Each of these options comes with their own management difficulties as well as an increase in cost over the cost of the UAMPS Natural Gas Project.

FISCAL IMPACT

The fiscal impact to changing fuel suppliers is positive and will significantly reduce Springville fuel management costs.

Matt C. Hancock
Power Generation Superintendent

NATURAL GAS PROJECT TRANSACTION CONFIRMATION

WHEREAS, Springville is a Participant in UAMPS Natural Gas Project and desires that UAMPS to act as its Scheduling Agent pursuant to the duties set forth in Section 4 of this Confirmation as provided herein;

WHEREAS, Springville has entered into 1) Utah Transportation Service Agreement and 2) a Questline Access Agreement, dated _____ with Questar Gas Company for the transport of natural gas to the Springville generators (the "Questar Agreements"); and

WHEREAS, UAMPS agrees to provide such Scheduling Agent Services that are acceptable to it under the terms and conditions herein and according to the Scheduling Timelines and Protocol attached hereto for the term of this Transaction Confirmation.

NOW, THEREFORE, UAMPS and Springville agree as follows:

SECTION 1. TERM

The term of this Transaction Confirmation will begin on _____ at Hour Ending 01 MPT and end on March 31, 2016 at Hour Ending 24 MPT, provided that either Party reserves the right to terminate this Transaction Confirmation upon 10 days written notice to the other Party.

SECTION 2. PURPOSE

UAMPS will act as Scheduling Agent subject to the conditions in Section 3 herein.

SECTION 3. SPRINGVILLE'S OBLIGATIONS, AUTHORITIES AND LIABILITIES

Springville will comply with the Scheduling Timelines and Protocols attached hereto for all transactions scheduled by UAMPS pursuant to this Transaction Confirmation. UAMPS will have no obligation to perform the services contemplated hereunder for "out-of-time" schedules or transactions.

Springville will provide contact information for itself and the supplier, as applicable, to UAMPS for resolution of any questions or issues that may arise in UAMPS' performance of this Transaction Confirmation.

SECTION 4. UAMPS OBLIGATIONS, AUTHORITIES AND LIABILITIES

UAMPS will act as Scheduling Agent for Springville’s Questar Agreements that are acceptable to UAMPS. As Scheduling Agent, UAMPS will perform the following scheduling duties:

- 1) Pre-schedule the natural gas pursuant to Springville’s generation schedules and manage the month end gas imbalance,
- 2) Monitor the preschedules and modify as necessary in real time to accommodate (1) generation schedule changes; i.e. unit outages or curtailments,
- 3) Perform month-end checkouts with the supplier, and
- 4) Assist Springville in resolving any scheduling and billing issues with the supplier that may arise.

UAMPS services and responsibilities will be limited to those specified in this Transaction Confirmation and conducted pursuant to the Scheduling Timelines and Protocol attached hereto.

SECTION 5. SCHEDULING AGENT SERVICE CHARGE

For Scheduling Agent Services, Springville will be charged a schedule for all MMBTU scheduled at the gas scheduling fee adopted by the Natural Gas Project Management Committee and approved by the UAMPS Board of Directors from time to time. The charges will be invoiced to Springville on its UAMPS Power Bill as a separate line item.

Springville also agrees to pay any other costs, if any, and any applicable administrative overheads as approved by the UAMPS Board of Directors that UAMPS may incur in the performance of this Transaction Confirmation.

DATED AS OF _____ day of _____, 2015.

SPRINGVILLE CITY

UAMPS

BY: _____

BY: _____

TITLE: _____

TITLE: _____

Scheduling Timelines and Protocol Attachment

To

Pooling Appendix for Gas Scheduling Services

For all member schedules that UAMPS facilitates pursuant to the Scheduling Services Appendix.

The Member will provide verbal notification to the designated Notification Parties via UAMPS' recorded phone lines and followed with written notification through email to the designated Notification Parties. The notifications will include enough information as acceptable to UAMPS to prepare gas nominations, and to perform gas scheduling functions. The information will include, but may not be limited to, the source, the path of the transport, the gas product, daily amounts in MMBTu, and the counterparty.

If either (1) the counterparty or the pipeline (s) will not accept the schedule, (2) the information provided is insufficient or in error, or (3) there is a upset by the source, the pipe line, or a party in the transaction path, UAMPS will use best efforts to contact the Member to correct the schedule, but will not try to implement or replace the schedule without the Member's direction.

For Members submitting generation schedules for gas scheduling the timing of the schedules will be as designated. UAMPS will not accept schedules submitted after the designated time for each respective power product's term.

Duration for 1 Month and Longer (Term) Transactions

The member must notify UAMPS by 10:00 AM, 7 business days prior to the beginning of the month.

Duration for the Balance of the Month Transactions:

The Member, or its scheduling agent, must notify UAMPS by 10:00 AM, 7 business days prior to the scheduling day for which the schedule would start.

Durations for Day-Ahead Transactions:

To the extent known by the Member, the Member, or its scheduling agent, must notify UAMPS by 10:00 AM, 7 business days prior to the beginning of the day to be transacted. UAMPS will accept changes to the 7 day schedule not known by the Member up to 2 business days prior to the day, by 10 AM, to be transacted.

Hourly Transactions

The Member must notify UAMPS of generation changes as soon as possible to minimize imbalance. UAMPS will match generation changes to nominated amounts to the extent possible. Nomination decreases can be reduced up to 100% for cycle 1 and 2 changes. Cycle 3 nominations can be reduced up to 67% of the nominated amount and Cycle 4 nominations can be reduced up to 50 %. Below are the gas scheduling timelines.

Day Ahead 08:00	Cycle 1 (Up to 100%)
Day Ahead 16:00	Cycle 2 (Up to 100%)
Same Day 08:00	Cycle 3 (Up to 67%)
Same Day 16:00	Cycle 4 (Up to 50%)

Notification Parties for Term, Balance of the Month, and Daily Ahead transactions:

Nathan Hardy	nate@uamp.com	801-214-6421
Dax Gray	dax@uamps.com	801-568-0497
Kelton Andersen	kelton@uamps.com	801-214-6406

Notification Parties for Hourly transaction:

Dax Gray	sched@uamps.com	801-568-0497 (Work) 801-244-8201 (Cell)
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To report scheduling problems:

Marshall Empey	marshall@uamps.com	801-214-6405
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NATURAL GAS PROJECT MASTER AGREEMENT

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

SPRINGVILLE CITY

This Natural Gas Project Master Agreement is made and entered into as of _____, , between Utah Associated Municipal Power Systems, a political subdivision of the State of Utah (“UAMPS”), and Springville City, a political subdivision and a member of UAMPS (“Participant”). UAMPS and Participant are sometimes hereafter referred to collectively as the “Parties” and individually as “Party.”

RECITALS:

WHEREAS, UAMPS is organized as an Energy Services Interlocal Entity under the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 *et seq.*, and pursuant to its Amended and Restated Agreement for Joint and Cooperative Action, as amended from time to time (the “Joint Action Agreement”) for certain purposes, including acquiring reliable and economic supplies of energy for the benefit of the public agencies that are parties to the Joint Action Agreement (the “Member(s)"); and

WHEREAS, UAMPS, through its Board of Directors, has approved the formation of a separate Project of UAMPS that will possess all the rights, powers, privileges, exemptions, and obligations afforded UAMPS’ Projects under the Joint Action Agreement and that will be known as the Natural Gas Project (the “Project”); and

WHEREAS, UAMPS and Participant now enter into this Natural Gas Project Master Agreement to set forth terms and conditions upon which UAMPS and the Participant will purchase, sell, transport, hedge or store natural gas (“Gas”) as provided herein.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section 1. Definition and Explanations of Terms. Capitalized terms used in this Natural Gas Project Master Agreement shall have the meanings assigned to such terms in the recitals set out above, in the Joint Action Agreement, in any Transaction Confirmation, in any Credit Support Document, and the following terms shall have the following meanings:

“Additional Contract Charges” means a pro-rata share of the following costs: (i) the costs to develop or execute a Related Gas Agreement that have not been capitalized; (ii) the costs to terminate a Related Gas Agreement that are not payable from the proceeds of such termination; (iii) any extraordinary costs incurred in connection with a Related Gas Agreement; (iv) any charges specified in Section 3(h) incurred in connection with a Related Gas Agreement; and (v) any other specific charges that may be set forth in a Transaction Confirmation.

“Agreement” means this Natural Gas Project Master Agreement and all Transaction Confirmations or Credit Support Documents entered into by UAMPS and the Participant and any amendments thereto.

“Annual Budget” means the annual budget prepared for the Project as recommended by UAMPS and approved by the Project Management Committee and the Board. The Annual Budget shall coincide with the Fiscal Year.

“Board” means the Board of Directors of UAMPS or such other governing body of UAMPS as may be established from time to time pursuant to the Joint Action Agreement.

“Business Day” means any day except (i) Saturday, Sunday, and any day on which banks located in the State of Utah or the State of New York are required or authorized by law or other governmental action to close and (ii) any day on which the New York Mercantile Exchange or the trustee for any revenue bonds sold by UAMPS to acquire Prepaid Gas is closed.

“Buyer” means the Party that has agreed to receive Gas at the Delivery Point.

“Buyer Receipt Failure” means Buyer’s failure on any day, for any reason other than Force Majeure, to meet its obligation to take delivery from Seller at the applicable Delivery Point of the quantity of Gas delivered, tendered for delivery, or deemed delivered to such Delivery Point on such day.

“Contract Price” means the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for (i) the purchase of Gas, which shall include all applicable delivery charges, or (ii) capacity to store or transport Gas, as agreed to by the Parties in a Transaction Confirmation.

“Cover Standard” means that if there is a Seller Delivery Failure pursuant to this Agreement, then the Buyer shall use commercially reasonable efforts to obtain Gas at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the Seller; the immediacy of the Buyer's Gas consumption needs; the quantities involved; and the anticipated length of failure by the Seller.

“Credit Support Document” means any document between the Parties that describes the arrangements for meeting any Credit Support Obligation, such as an

irrevocable standby letter of credit, a margin agreement, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.

"Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for or on behalf of a Party to this Agreement that may be required pursuant to a Transaction Confirmation or by UAMPS pursuant to Section 15(b).

"Daily Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the Parties in a Transaction.

"Delivery Point" means, with respect to each Transaction, the point of delivery for Gas delivered by Seller to Buyer, as specified as either a primary delivery point or an alternate delivery point in each Transaction Confirmation or the point of delivery specified in a Spot Transaction.

"Firm" shall mean that either Party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure.

"Fiscal Year" means the fiscal year of UAMPS, which at the time of execution begins on the first day of April and end on the last day of March.

"Fixed Administrative Fee" means the fixed amount payable monthly by each Participating Member as determined in the Annual Budget.

"Force Majeure" shall have the meaning ascribed in Section 16.

"Gas" shall mean natural gas, specifically, any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

"Gas Purchase Agreement" means an agreement entered into by UAMPS and either a Participating Member or a third party for the purchase of Gas for a period of one month or longer. For purposes of this definition, each transaction confirmation for a period of one month or longer executed by UAMPS under industry standard master agreements shall be considered a separate Gas Purchase Agreement.

"Hedge Payment" means any payment due to or from Participant pursuant to a Transaction Confirmation that is related to a Hedge Transaction.

"Hedge Transaction" means any transaction related to managing the price of Gas using an industry standard financial contract. Hedge transactions may include, but are not limited to, Gas swaps, basis swaps, caps, floors or collars.

"Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a transporter for failure to satisfy the transporter's balance and/or nomination requirements.

"Interruptible" shall mean that either Party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability.

"Market Disruption Event" means with respect to an index, any of the following events: (i) the failure of the index to announce or publish information necessary for determining the applicable index price; (ii) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the exchange or market acting as the index; (iii) the temporary or permanent discontinuance or unavailability of the index; (iv) the temporary or permanent closing of any exchange acting as the index; or (v) a material change in the formula for or the method of determining the applicable index price.

"MMBtu" means one million British thermal units, which is equivalent to one dekatherm.

"Monthly Gas Charges" means the aggregate of the product of (i) the quantity of Gas sold by UAMPS to Participant pursuant to a Spot Sale, and (ii) the relevant price in accordance with Section 3(d), for each day of a month.

"Monthly Gas Proceeds" means the aggregate of the product of (i) the quantity of Gas purchased by UAMPS from Participant pursuant to a Spot Purchase that is not a Remarketing Purchase; and (ii) the relevant price in accordance with Section 3(c), for each day of a month.

"Other Gas Agreement" means an agreement entered into by UAMPS to acquire Gas storage or transportation capacity, or Gas reserves, for a period of one month or longer.

"Participant Gas Representative(s)" means the officer, employee or other agent of the Participant authorized by the Participant to transact for purposes of this Agreement.

"Participating Member(s)" means all Members of UAMPS who have executed a Natural Gas Project Master Agreement in a form substantially similar to this Agreement.

"Prepaid Gas" means Gas acquired by UAMPS, pursuant to a Gas Purchase Agreement, an Other Gas Agreement for the acquisition of Gas reserves, or through any other means, which was purchased with the proceeds of revenue bonds.

"Prime Rate" means, as of any time, the then current interest rate published in The Wall Street Journal as the prime rate of interest, as it may be adjusted from time to time.

"Proceeds Subject to Remediation" means the proceeds of a sale in which UAMPS sells Gas acquired by UAMPS in a Remarketing Purchase for other than a

Qualified Use, together with all interest and other investment income on such proceeds which are not to be rebated to the United States of America as required by any bond indenture or Gas Purchase Agreement executed by UAMPS in connection with the acquisition of Prepaid Gas.

“*Project Management Committee*” means the Natural Gas Project Management Committee of UAMPS, which is to provide for the coordinated management of the Project in accordance with the Joint Action Agreement.

“*Qualified Use*” means (i) a use that does not give rise to “private business use” as defined in Section 141 of the Internal Revenue Code and regulations promulgated thereunder; and (ii) a use which, in the opinion of a nationally recognized bond counsel, does not adversely affect the tax-exempt status of any bonds sold to acquire Prepaid Gas.

“*Related Gas Agreement*” means a Gas Purchase Agreement, an agreement related to a Hedge Transaction, or an Other Gas Agreement as specified in a Transaction Confirmation.

“*Remarketing Price*” means the price at which UAMPS resells Gas acquired through a Remarketing Purchase.

“*Remarketing Proceeds*” means for each Remarketing Purchase, the product of (i) the Remarketing Price, and (ii) the quantity of Gas subject to such Remarketing Purchase.

“*Remarketing Purchase*” means a Spot Purchase that involves Prepaid Gas that cannot be used by a Participating Member as more fully described in Section 7(b)(iii).

“*Remediation Fund*” means a certain fund so designated and held by UAMPS and into which UAMPS shall deposit all Proceeds Subject to Remediation.

“*Remediation Use*” means, with respect to Proceeds Subject to Remediation, any of the following: (a) the purchase of Gas with such Proceeds Subject to Remediation and the sale of such Gas for a Qualified Use; or; (c) the application of Proceeds Subject to Remediation to the purchase of electricity in compliance with Treasury Regulation Section 1.148-1(e)(2)(iii)B(2).

“*Seller*” means the Party that has agreed to deliver Gas to the Delivery Point.

“*Seller Delivery Failure*” means the Seller’s failure, for reasons other than Force Majeure, on any day to deliver to the applicable Delivery Point the quantities of Gas required to be delivered to such Delivery Point on such day pursuant to this Agreement.

“*Spot Price*” means unless otherwise determined by the Project Management Committee, the price listed in *Gas Daily*, under the listing applicable to the geographic location closest in proximity to the Delivery Point for the relevant day; provided, if there is no single price published for such location for such day, but there is published a range

of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first day for which a price or range of prices is published that next precedes the relevant day; and (ii) the price (determined as stated above) for the first day for which a price or range of prices is published that next follows the relevant day.

“*Spot Purchase*” means a purchase of Gas by UAMPS from a Participating Member for a period of less than one month.

“*Spot Sale*” means a sale of Gas by UAMPS to a Participating Member for a period of less than one month.

“*Spot Transaction*” shall mean either a Spot Sale or a Spot Purchase.

“*Taxes*” shall mean any taxes, fees, levies, penalties, licenses or charges imposed by any government authority on or with respect to Gas.

“*Transaction*” means a Gas purchase, sale, storage, transport, or hedge transaction for a specific period in excess of one month between UAMPS and the Participant pursuant to this Agreement and as set forth on a Transaction Confirmation.

“*Transaction Confirmation*” means a written schedule setting forth the specific terms of a Transaction, and the specific Related Gas Agreement to which it relates, which upon execution by the Parties shall be incorporated into this Agreement.

“*Transaction Fee*” means the fee to be paid by each Participating Member for each MMBtu of Gas purchased, sold, transported, stored or hedged by UAMPS as set forth in the Annual Budget.

“*Uniform System of Accounts*” means generally accepted accounting principles in accordance with the FERC Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act, as codified in 18 C.F. R. § 201 *et seq.*, as amended or modified from time to time, together with any pronouncements of the Financial Accounting Standards Board or successor agency or body setting forth financial accounting and reporting standards.

Section 2. Term and Termination. (a) This Agreement shall be effective on the date first written above and shall remain in full force and effect through the later of (i) the termination date as determined pursuant to Section 2(b); or (ii) the termination date of UAMPS under the Joint Action Agreement.

(b) In the event that no Transaction Confirmation is in then in effect, either Party may terminate its purchase or sale obligations under this Agreement by giving written notice to the other Party at least sixty (60) days prior to the end of UAMPS’ Fiscal Year. Such notice shall specify a termination date which, unless otherwise

determined by the Project Management Committee, shall be the last day of the Fiscal Year in which the notice is given. Such termination shall not relieve Participant from any Additional Contract Charges attributable to a Transaction that may arise after such termination. The rights of the Parties under Section 11 and Section 15 and the obligations to make payment hereunder shall survive the termination of the Agreement.

(c) Upon termination by either Party as described in Section 2(b) above, Participant shall withdraw from the Project pursuant to the terms and conditions of the Joint Action Agreement.

(d) The Parties may provide for the early termination of a Transaction Confirmation. A Transaction Confirmation containing an early termination provision will designate the terms under which UAMPS or Participant may terminate a Transaction and the procedures for such termination, including but not limited to any payments to be made in connection with such termination. Such provisions may enable UAMPS to immediately terminate any Transaction Confirmation for failure of Participant to meet its obligations under Section 9(c) hereunder.

Section 3. Authorized Transactions; Purchase and Sale of Natural Gas; Hedging; Storage and Transport; Liquidity. (a) UAMPS and Participant agree to sell and deliver, or to receive and purchase, the Daily Contract Quantity for a particular Transaction in accordance with the terms of this Agreement and any Transaction Confirmation. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the Parties in a Transaction Confirmation.

(b) During the term of this Agreement, UAMPS shall enter into one or more Gas Purchase Agreements. Prior to execution of each Gas Purchase Agreement, UAMPS shall notify Participating Members of the negotiation and general terms of all such Gas Purchase Agreements. Participant shall indicate its interest or lack of interest in purchasing Gas obtained by UAMPS pursuant to specific Gas Purchase Agreements as directed by the Project Management Committee. Unless otherwise agreed by UAMPS, prior to execution of a Gas Purchase Agreement, UAMPS shall enter into one or more transaction confirmations as a Seller which in the aggregate (i) have a Daily Contract Quantity that is equal to the Daily Contract Quantity in the Gas Purchase Agreement, and (ii) produce sufficient revenues to enable UAMPS to meet its obligations under the Gas Purchase Agreement.

(c) During the term of this Agreement, UAMPS shall make Spot Purchases of Gas offered by a Participating Member. The price paid by UAMPS for Spot Purchases that are not also Remarketing Purchases shall be the Spot Price, or such other price as may be specified in a transaction confirmation. The price paid by UAMPS for Remarketing Purchases shall be the Remarketing Price.

(d) During the term of this Agreement, UAMPS shall make Spot Sales of Gas requested for delivery to a Participating Member. UAMPS shall acquire additional Gas

as necessary and make all Spot Sales to Participating Members at a price equal to the Spot Price or such other price as may be specified in a transaction confirmation.

(e) During the term of this Agreement, UAMPS may sell revenue bonds to finance the purchase of Prepaid Gas.

(f) During the term of this Agreement, UAMPS may execute one or more Other Gas Agreements. Participant shall indicate its interest or lack of interest in purchasing storage or transportation capacity or reserves obtained by UAMPS pursuant to specific Other Gas Agreements as directed by the Project Management Committee. Unless otherwise agreed by UAMPS, prior to execution of an Other Gas Agreement, UAMPS shall enter into one or more transaction confirmations as a Seller which in the aggregate (i) have a Daily Contract Quantity, or in the case of the acquisition of Gas reserves an expected daily contract quantity, that is equal to the Daily Contract Quantity, or in the case of the acquisition of Gas reserves an expected daily contract quantity, in the Other Gas Agreement, and (ii) produce sufficient revenues to enable UAMPS to meet its obligations under the Other Gas Agreement.

(g) During the term of this Agreement, UAMPS may enter into one or more Hedge Transactions. Participant shall indicate its interest or lack of interest in participating in a Hedge Transaction arranged by UAMPS as directed by the Project Management Committee. Prior to execution of a Hedge Transaction, UAMPS shall enter into one or more transaction confirmations which in the aggregate shall (i) have a Daily Contract Quantity, that is equal to the Daily Contract Quantity, in the Hedge Transaction, and (ii) produce sufficient revenues to enable UAMPS to meet its obligations under the Hedge Transaction.

(h) During the term of this Agreement, UAMPS may arrange one or more lines of credit or other financial liquidity arrangement, including but not limited to bank loans or cash reserves, for the benefit of the Project or a Related Gas Agreement. To the extent such arrangement is for the benefit of all Participating Members, any fees or expenses related to such arrangement shall be included in the administrative and general budget for the Project. To the extent such arrangement is for the benefit of a Related Gas Agreement, any fees or expenses related to such arrangement shall be included in the Additional Contract Charges for such Related Gas Agreement.

(i) During the term of this Agreement, UAMPS may enter into agreements with Participating Members to provide additional services including but not limited to forecasting, scheduling and load balancing.

(j) During the term of this agreement, UAMPS shall use its best efforts to limit Imbalance Charges among Participating Members, by matching Spot Purchases to Spot Sales to the extent possible when scheduling Gas with third parties and/or transporters. UAMPS shall use its discretion in balancing purchases and sales on a daily or monthly basis to minimize Imbalance Charges. Gains and losses from such decisions will accrue to the Project.

(k) The Parties shall enter into a Transaction Confirmation for each Transaction. Notwithstanding anything else to the contrary in this Agreement, to the extent that the terms, definitions or operating and scheduling procedures included in a Transaction Confirmation differ from this Agreement, the Transaction Confirmation shall govern.

Section 4. Operating and Scheduling Procedures. (a) The Parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected transporter(s). Each Party shall give the other Party timely prior notice, sufficient to meet the requirements of all transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Unless otherwise agreed in a Transaction Confirmation, the timing for notices regarding nominations and scheduling for Spot Purchases and Spot Sales shall be as determined by the Project Management Committee.

(b) Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

(c) Participant agrees that UAMPS shall have no obligation to provide Gas or make storage or transport capacity available to Participant in the event of any force majeure under a Related Gas Agreement.

(d) The Parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If UAMPS or Participant receives an invoice from a transporter that includes Imbalance Charges, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

Section 5. Seller Delivery Failure. (a) Upon the occurrence of a Seller Delivery Failure, the Party that first learns of such Seller Delivery Failure shall notify the other Party of such failure promptly by telephone or electronic transmission. Any failure to give such notices, or any delay in giving such notices, shall not affect Buyer's rights under this Section 5. Buyer shall have no obligation to pay for any of the Gas that was not delivered as a result of a Seller Delivery Failure. Unless otherwise specified in a Transaction Confirmation, to the extent that Buyer acquires replacement Gas using the Cover Standard from third parties for Gas not received by Buyer, Seller shall pay Buyer, the positive difference, if any, between the cost of such replacement Gas and either the Contract Price or the applicable price for a Spot Transaction as the case may be.

(b) Except with respect to the payment of Imbalance Charges pursuant to Section 4(d), unless otherwise specified in a Transaction Confirmation, the remedy set

forth in this Section 5 shall be Buyer's sole and exclusive remedy for any Seller Delivery Failure.

Section 6. Buyer Receipt Failure. (a) Upon the occurrence of a Buyer Receipt Failure, the Party that first learns of such Buyer Receipt Failure shall notify the other Party of such failure promptly by telephone or electronic transmission; provided that any failure to give such notice, or any delay in giving such notice, shall not affect Seller's rights under this Section 6. Unless otherwise specified in a Transaction Confirmation, upon a Buyer Receipt Failure with respect to any portion of the Gas the following shall occur:

- (i) Buyer shall pay the Contract Price, or the applicable price for a Spot Transaction, for the portion of Gas as to which there is a Buyer Receipt Failure; and
- (ii) To the extent that Seller receives payments from third parties for Gas not received by Buyer, Seller shall credit Buyer with such payments against the payments due from Buyer in any month in an amount up to the Contract Price or the applicable price of a Spot Transaction.

(b) Except with respect to the payment of Imbalance Charges pursuant to Section 4(d), unless otherwise specified in a Transaction Confirmation, the remedies set forth in this Section 6 shall be the sole and exclusive remedies of the Parties for any Buyer Receipt Failure.

Section 7. Transactions Involving Prepaid Gas. (a) Participant and UAMPS agree to notify the other Party if Gas to be sold by UAMPS to Participant or by Participant to UAMPS is Prepaid Gas prior to confirming such sale.

(b) Participant covenants and agrees with UAMPS with respect to Prepaid Gas as follows:

- (i) Participant will use all Prepaid Gas for a Qualified Use. Participant will provide UAMPS with a certificate as to such use as requested;
- (ii) Participant will use all Prepaid Gas first in its operations. In the event that Participant has acquired Prepaid Gas in more than one Transaction, Gas used by Participant will be allocated among such Transactions on a pro-rata basis;
- (iii) At any time that Participant cannot use Prepaid Gas for its own use, Participant will give notice to UAMPS of the need for a Remarketing Purchase in at least the amount of the Prepaid Gas that cannot be used by Participant in accordance with this Agreement, or as otherwise specified in a Transaction Confirmation;

(iv) Notwithstanding the mandatory remarketing described in Section 7(b)(iii) above, Participant agrees to pay UAMPS the Contract Price for all Prepaid Gas which shall be deemed to have been delivered to Participant, on a timely basis; and

(v) Participant will cooperate with UAMPS to the extent necessary to confirm that Prepaid Gas was used in Participant's operations.

(c) During the term of this agreement, UAMPS shall use its best efforts to sell Prepaid Gas acquired pursuant to a Remarketing Purchase for a Qualified Use by matching Remarketing Purchases to Spot Sales to the extent possible on a daily basis. To the extent UAMPS acquires Gas through a Remarketing Purchase and has not resold such Gas through a Spot Sale, UAMPS shall use its best efforts to sell such Gas to third parties for a Qualified Use. To the extent that UAMPS sells such Gas for a Qualified Use, UAMPS shall pay the Remarketing Proceeds to Participant in accordance with Section 8(b). In the event UAMPS ultimately sells such Gas for other than a Qualified Use, the related Proceeds Subject to Remediation shall be retained by UAMPS in the Remediation Fund for the benefit of the Participating Member who initiated the Remarketing Purchase.

(d) Unless otherwise determined by the Project Management Committee, UAMPS will use its best efforts to utilize Proceeds Subject to Remediation for a Remediation Use by the end of the month that follows the month in which the Remarketing Purchase that resulted in Proceeds Subject to Remediation occurred.

(e) UAMPS shall keep detailed records of all Remarketing Purchases, sales of gas acquired by UAMPS in a Remarketing Purchase, and the Remediation Use to which Proceeds Subject to Remediation are applied.

Section 8. Amounts to be Paid by UAMPS and Participant. (a) Participant shall pay UAMPS (i) the Contract Price for all Gas delivered by, or deemed delivered by, UAMPS, or capacity to store or transport Gas provided by UAMPS, pursuant to a Transaction Confirmation, (ii) Additional Contract Charges, (iii) Monthly Gas Charges, (iv) Imbalance Charges, (v) any charges required to be made by Participant pursuant to Section 5 or Section 6, (vi) any Hedge Payment due from Participant, and (vii) the Fixed Administrative Fee, and (viii) the Transaction Fee.

(b) UAMPS shall pay Participant (i) the Contract Price for all Gas delivered by Participant, pursuant to a Transaction Confirmation in which UAMPS is the Buyer, (ii) Monthly Gas Proceeds, (iii) Imbalance Charges, (iv) any charges required to be made by UAMPS pursuant to Section 5 or Section 6, (v) Remarketing Proceeds that are not Proceeds Subject to Remediation, (vi) amounts released from the Remediation Fund that were held for the benefit of the Participant pursuant to Section 7(c) and have been applied to a Remediation Use pursuant to Section 7(d), and (vii) any Hedge Payment due to Participant.

Section 9. Billing Period, Billing and Payment. (a) Unless otherwise specified in a Transaction Confirmation, the billing period to be used for the preparation, calculation, and billing of the amounts payable hereunder shall be a calendar month. To promote the efficient and economic administration of the Project, or to conform such billing procedures to those utilized in connection with other projects of UAMPS, the Project Management Committee, may, at any time, adopt another standard period of time as the billing period for charges billed under Sections 8(a)(ii), 8(a)(vii), or 8(a)(viii). Any change in the billing period shall be made in the Annual Budget and shall not be effective for at least 15 days after the mailing of notice of such change in the billing period to Participant.

(b) On or before the 25th day of each billing period beginning with the first billing period following the effective date of this Agreement, UAMPS shall render to Participant a billing statement showing (i) the estimated amount payable by Participant pursuant to Section 8(a) for such billing period, (ii) the estimated amount payable by UAMPS pursuant to Section 8(b), and (iii) any, adjustments or reconciliations payable by or credited to Participant. For clarity, the Parties shall pay estimated amounts for all contracted Gas based on the assumption that Gas or transport capacity is scheduled and delivered in accordance with any Transaction Confirmation. UAMPS shall use its best efforts to include the actual amount and price of all Spot Purchases and Spot Sales that occur prior to the 25th day of each billing period in each monthly invoice. UAMPS may estimate, based on Participant's recent activity, the amount and price of Spot Purchases and Spot Sales for the remainder of the billing period.

(c) UAMPS shall reconcile all estimated quantities and prices on each invoice with the actual quantities and prices and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (b) of this paragraph (9).

(d) Unless otherwise specified in a Transaction Confirmation, payments required to be paid pursuant to Section 8 by UAMPS and Participant shall be netted and the net amount shall be due and payable to the Party who is owed at the office of such Party, or such other address as UAMPS or Participant shall designate in writing, on the 15th day following the date on which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to Section 9(a) above. If said due date is not a Business Day, payment shall be due on the next Business Day. If Participant shall fail to make any payment when due, UAMPS shall immediately provide notice of such failure to Participant. The Parties acknowledge that Transactions associated with Prepaid Gas may require separate payments to minimize credit costs.

(e) If payment in full is not made on or before the close of business on the due date, UAMPS or Participant shall pay interest on the unpaid amount due for each day overdue. Unless otherwise specified in a Transaction Confirmation, interest shall accrue at a rate equal to the lesser of (i) the Prime Rate, plus two percent (2%) per annum; or (ii) the maximum rate lawfully payable by UAMPS or the Participant.

(f) In the event of a dispute as to any portion of any billing statement, the Participant shall nevertheless pay the full amount of the invoice when due and shall give written notice of the dispute to UAMPS not later than the 15th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such dispute. No adjustment shall be considered or made for disputed charges unless notice is given by the Participant. UAMPS shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Board) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to Participant after such determination. Interest on such overpayment or underpayment shall accrue at the rate for the applicable month published by the Utah Public Treasurer's Investment Fund.

(g) The obligation of Participant to make the payments under this Section 9 for amounts payable by Participant pursuant to Section 8 or this Section 9 is a several obligation and not a joint obligation with those of any other Participating Member. The obligation of Participant to make the payments under this Section 9 shall constitute an obligation of Participant and an operating expense of the Participant's electric system, Gas system, or combined utility system ("Utility") payable solely from the revenues and other available funds of the Utility. The obligations of Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and further shall not be conditioned upon the performance by UAMPS under any other agreement or instrument between UAMPS and the Participant.

(h) The obligation of UAMPS to make the payments under this Section 9 for amounts payable by UAMPS pursuant to Section 8 or this Section 9 shall constitute an obligation of the Project payable solely from the revenues and other available funds of the Project.

Section 10. Annual Budget; Accounting. (a) On or before the beginning of each Fiscal Year, UAMPS shall prepare and mail to Participant the Annual Budget. Unless otherwise directed by the Project Management Committee, in the preparation of the Annual Budget, UAMPS shall apply the net gains and/or losses accrued to the Project as an offset or addition as the case may be to the administrative and general charges included in the Annual Budget. Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the amounts shown on the Annual Budget in its annual budgetary process for Participant's Utility.

(b) At the end of each quarter during each Fiscal Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Fiscal Year there are or are expected to be extraordinary receipts, credits or expenditures of costs substantially affecting the Project, UAMPS shall prepare and mail to Participant a revised Annual

Budget, as recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget.

(c) UAMPS will keep accurate records and accounts relating to the Project in accordance with the Uniform System of Accounts, separate and distinct from its other records and accounts; provided that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records adequate to show the amounts in each of such funds allocable to each such project. Said accounts shall be audited annually by a firm of certified public accountants of national reputation, experienced in public finance and electric utility accounting, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Board shall be furnished by UAMPS to Participant not later than 180 days after the end of each Fiscal Year.

Section 11. Review and Audit. Either Party, at its sole expense, shall have the right, at all reasonable times, to review and audit the books, records and documents of the other Party directly pertaining to the billings required to administer this Agreement and any Related Gas Agreement. All information obtained by either Party's representatives in examining the other Party's applicable records to verify such billings shall not be disclosed to third parties except as required by law. Prior written notice of any such disclosure shall be provided to the audited Party.

Section 12: Quality and Measurement. All Gas delivered by UAMPS or Participant shall meet the pressure, quality, and heat content requirements of the transporter. The unit of quantity measurement for purposes of this Agreement shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the transporter.

Section 13. Taxes. Unless otherwise specified in a Transaction Confirmation, Seller shall pay or cause to be paid any Taxes on or with respect to the Gas prior to the Delivery Point(s). Participant shall pay or cause to be paid any Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the other Party for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof.

Section 14. Title. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

Section 15. Financial Security. (a) To the extent that UAMPS, or a party to a Gas Purchase Agreement with UAMPS, requires financial security, UAMPS may include a Credit Support Obligation in a Transaction Confirmation.

(b) If UAMPS has reasonable grounds based on its own determination for insecurity regarding the performance of any obligation under this Agreement by Participant (including, without limitation, the occurrence of a material change in the creditworthiness of Participant), UAMPS may provide Participant with a written notice imposing a Credit Support Obligation on Participant. The amount of such Credit Support Obligation shall be determined by UAMPS in a commercially reasonable manner. Upon receipt of such notice, Participant shall deliver cash or a Credit Support Document which satisfies such Credit Support Obligation within five (5) Business Days.

Section 16. Force Majeure. (a) Except with regard to a Party's obligation to make payment(s) hereunder, neither Party shall be liable to the other for failure to perform an obligation under this agreement, to the extent such failure was caused by Force Majeure.

(b) The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, including, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction.

(c) Neither Party shall be entitled to the benefit of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of Interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the Party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, UAMPS' ability to sell Gas at a higher or more advantageous price than the Contract Price, Participant's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; (iv) the loss of Participant's market(s) or Participant's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 16(b); or (v) the loss or failure of UAMPS' Gas supply or depletion of reserves, except, in either case, as provided in Section 16(b). The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

(d) Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

(e) The Party whose performance is prevented by Force Majeure must provide notice to the other Party. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice to the other Party, the affected Party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

(f) Notwithstanding the provisions of this Section 16, the Parties may agree to alternative Force Majeure provisions in a Transaction Confirmation.

(g) Any gains or losses experienced by UAMPS as a result of Force Majeure shall accrue to the Project.

Section 17. Separate Agreement. This Agreement does not modify any existing or future rights, obligations, performances, or procedures of UAMPS or Participant related to Participant's membership in UAMPS except as specifically agreed herein.

Section 18. Representations and Warranties. (a) Each Party represents and warrants to the other that (i) it possesses all legal power and authority necessary on its part to enter into this Agreement, including all Transaction Confirmations and Credit Support Documents and to perform its obligations hereunder and thereunder; and (ii) this Agreement has been duly authorized, executed and delivered and constitutes a legal, valid, and binding obligation, enforceable in accordance with its terms. Upon the request of the other Party, each Party agrees that it will provide such certificates and legal opinions as may be reasonably necessary to confirm the foregoing representations and warranties to third parties.

(b) Participant represents that the attached resolution, executive order or other authorizing document duly authorizes its Participant Gas Representative(s) to enter into each Transaction, Spot Purchase or Spot Sale.

Section 19. Waiver. A waiver at any time by a Party of its rights with respect to a default under or breach of this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or breach. No delay, short of the statute of limitations, in asserting or enforcing any right hereunder shall be deemed a waiver of such right.

Section 20. Assignment. Participant shall not assign or transfer this Agreement or any of its rights or obligations hereunder without the written consent of UAMPS, which consent may be withheld at UAMPS' sole discretion.

Section 21. Relationship of Parties. (a) This Agreement is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Agreement.

(b) The covenants, obligations, liabilities, rights and benefits of Participant under this Agreement are individual and not joint and several, or collective, with those of any other Participating Member. This Agreement shall not be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on, between or among Participant and any one or more of the Participating Members. No Participating Member shall be or be deemed to be under the control of, nor shall any Participating Member control or be deemed to control, any or all of the other Participating Members or the Participating Members as a group. No Participating Member shall be bound by the actions of any other Participating Member, nor shall any Participating Member be deemed to be the agent of any other Participating Member or have the right to bind any other Participating Member.

Section 22. No Recourse. No member of the governing body, nor any officer or employee of UAMPS or Participant shall be individually or personally liable for any payment under this Agreement or be subject to any personal liability or accountability by reason of the execution of this Agreement; provided, however, that this Section shall not relieve any officer or employee of UAMPS or Participant from the performance of any official duty imposed by law or this Agreement.

Section 23. Applicable Law. Unless otherwise stated in a Transaction Confirmation, this Agreement is made under and shall be governed by the law of the State of Utah.

Section 24. Severability. If any section, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

Section 25. Entire Agreement. This Agreement constitutes the entire and complete agreement of UAMPS and Participant in respect of the Project and shall not be nor shall it be deemed to be modified, amended or superseded by any other agreement or contract between UAMPS and Participant.

Section 26. Notices. Any notice or demand by Participant to UAMPS under this Agreement shall be deemed properly given if mailed postage prepaid and addressed to the contact below at its principal office or if faxed to UAMPS with receipt confirmed,

followed by a written copy of such notice or demand mailed to UAMPS postage prepaid. Any notice or demand by UAMPS to Participant under this Agreement shall be deemed properly given if mailed postage prepaid and addressed to the contact specified below or if faxed to Participant's contact with receipt confirmed, followed by a written copy of such notice or demand mailed to Participant's contact postage prepaid. In computing any period of time from such notice, such period shall commence at noon, Salt Lake City time, on the date mailed or faxed, as applicable. The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by either Party giving notice as above provided.

Notices:

UAMPS
General Manager
155 North 400 West, Suite 480
Salt Lake City, UT 84103

Springville City
Mayor
110 South Main
Springville, UT 84663

Confirmations:

UAMPS
Customer Services Administrator
155 North 400 West, Suite 480
Salt Lake City, Utah 84103

Springville City
UAMPS Representative
909 East 400 South
Springville, UT 84663

Invoices and Payments:

UAMPS
155 North 400 West, Suite 480
Salt Lake City, Utah 84103

Springville City
909 East 400 South
Springville, UT 84663

Section 27. Default by Participant. (a) Other than a Seller Delivery Failure or a Buyer Receipt Failure for which an express remedy or measure of damages is provided herein, in the event of a failure of Participant to observe, keep, and perform any of the covenants, agreements, or obligations contained herein, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Agreement.

(b) In the event of a failure to pay within two (2) Business Days of the day notice is provided by UAMPS pursuant to Section 9(d), any amounts payable by Participant to UAMPS pursuant to this Agreement, UAMPS shall, with written notice to Participant, suspend any further (i) deliveries of Gas to Participant, or (ii) use of any storage or transport capacity by Participant, until all past due amounts are paid in full. During the period of suspension, Participant shall no longer have a vote on the Project Management Committee.

(c) In the event Participant fails to maintain any Credit Support Document or cash deposit delivered to meet the Credit Support Obligation included in any Transaction Confirmation, or fails to satisfy any other Credit Support Obligation imposed by UAMPS pursuant to Section 15(b) within the time specified in Section 15(b), UAMPS shall, with written notice to Participant, suspend any further (i) deliveries of Gas to Participant, or (ii) use of any storage or transport capacity by Participant, until all past due amounts are paid in full. During the period of suspension, Participant shall no longer have a vote on the Project Management Committee.

Section 28. Default by UAMPS. Other than a Seller Delivery Failure or a Buyer Receipt Failure for which an express remedy or measure of damages is provided herein, in the event of any default by UAMPS under any covenant, agreement, or obligation contained herein, other than UAMPS' obligation to deliver or receive Gas, Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate. And in no event shall Participant withhold or offset any payment owed to UAMPS hereunder.

Section 29. Market Disruption Event. If a Market Disruption Event has occurred with respect to a price index that is referenced both in this Agreement and a Related Gas Agreement, the replacement price shall be determined in accordance with the market disruption procedures set forth in the Related Gas Agreement. If a Market Disruption Event has occurred with respect to a price index that is not referenced in a Related Gas Agreement, the Parties shall negotiate in good faith to agree on a replacement price (or a method for determining the price at issue), and if the Parties have not so agreed on or before the 14th business day following the first trading day on which the Market Disruption Event occurred or existed, then the replacement price shall be determined by the majority of a panel of three independent dealers in the Gas market or other recognized experts in the field of pricing Gas. The Parties shall each select one dealer or other expert and the two dealers or other experts selected by the Parties shall mutually agree on the third dealer or expert.

Section 30. Price Correction. For purposes of determining the relevant prices for any day, if, during the term of this Agreement, the Spot Price published is corrected no later than thirty (30) Days after the original publication and the correction is published or announced by the person responsible for that publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three (3) business days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction. Interest shall accrue at the Prime Rate, determined as of the date the obligation to pay interest arises.

Section 31. Amendment. This Agreement shall not be amended, modified, or otherwise altered in any manner that may adversely affect the security for any revenue bonds that UAMPS may have sold to acquire Prepaid Gas. So long as any revenue bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the terms of any Gas Purchase Agreement, Other Gas Agreement, or any agreement related to a Hedge Transaction, this Agreement shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for such revenue bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of such revenue bonds.

Section 32. Financial and Utility Information. Participant shall provide audited financial information and such other information about Participant's utility system as UAMPS may request from time to time. Participant agrees to the use of such information by UAMPS in (i) the negotiation of any Gas Purchase Agreement, Hedge Agreement or Other Gas Agreement, or (ii) any offering document or continuing disclosure prepared in connection with Prepaid Gas.

Section 33. Power and Authority of the Project Management Committee: The Project Management Committee shall coordinate all activities of the Project. Representation, and other procedures of the Project Management Committee shall be in accordance with the Joint Action Agreement and UAMPS' Bylaws. Each Participant shall have one vote on the Project Management Committee. For purposes of this Agreement, the Project Management Committee shall have the following specific duties, responsibilities and powers:

(a) The Project Management Committee shall determine the procedures by which a Participating Member shall indicate its interest in purchasing Gas, storage or transportation capacity obtained by UAMPS pursuant to specific Gas Purchase Agreements or Other Gas Agreements. The Project Management Committee shall also determine the procedures by which a Participating Member shall indicate its interest in participating in Hedge Transactions arranged by UAMPS pursuant to Other Gas Agreements.

(b) The Project Management Committee shall determine a process whereby Participating Members can request UAMPS to negotiate Gas Purchase Agreements, Other Gas Agreements or Hedge Transactions for specified quantities of Gas, delivery locations and terms.

(c) The Project Management Committee shall determine a process for the execution and delivery of Transaction Confirmations. Such process may include telephonic or electronic communication confirmed in writing within a specified period.

(d) The Project Management Committee shall determine the timing and process for delivery of notices regarding nominations and scheduling for Spot Purchases and Spot Sales including any special provisions for Spot Purchases that are Remarketing

Purchases. The Project Management Committee shall not have authority to alter operating and scheduling procedures that are specified in a Transaction Confirmation.

(e) The Project Management Committee may designate an alternative daily index for a specific delivery location other than the daily index used in the definition of “Spot Price” which price shall be used for Spot Purchases and Spot Sales. If an index price is specified in a Transaction Confirmation, the Project Management may not designate an alternative daily index for such Transaction.

(f) The Project Management Committee shall approve, and recommend to the Board for approval, the Annual Budget.

(g) The Project Management Committee shall approve, and recommend to the Board for approval, a revised annual budget in the event the review required by Section 10(b) indicates that the Annual Budget will not substantially correspond with actual receipts or expenditures.

(h) The Project Management Committee may direct UAMPS to apply the net gains and/or losses accrued to the Project differently than as provided in Section 10(a).

(i) The Project Management Committee may designate a termination date that is prior to the last day of the Fiscal Year in which a termination notice is given in accordance with Section 2(b).

(j) The Project Management Committee, may, at any time, adopt a standard period of time other than monthly as the billing period for charges billed under Sections 8(a)(ii), 8(a)(vii), or 8(a)(viii).

(k) The Project Management Committee may direct UAMPS to utilize Proceeds Subject to Remediation for a Remediation Use in a timeframe that differs from the direction provided in Section 7(c).

(l) The Project Management Committee shall determine the Four Large Participants for purposes of Board Elections on an Annual basis.

(m) The Project Management Committee shall approve any letter of credit or financial liquidity arrangement put in place for the benefit of all Participating Members.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized officers as of the date first above written.

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: _____
Chair

Attest and Countersign:

By: _____
Assistant Secretary

SPRINGVILLE CITY

By: _____
Mayor

Attest and Countersign:

By: _____
City Recorder

RESOLUTION NO _____
AUTHORIZING NATURAL GAS TRANSACTIONS

WHEREAS, Springville City ("City") desires to purchase and sell natural gas in connection with the operation of its electric distribution system (the "System"); and

WHEREAS, the City desires the flexibility to engage in a program to store or hedge natural gas for the purpose of managing the cost of natural gas for the System; and

WHEREAS, the City is a Member of the Utah Associated Municipal Power Systems ("UAMPS"), a political subdivision of the State of Utah; and

WHEREAS, the City desires to become a Participating Member in UAMPS Natural Gas Project for the purpose of efficiently acquiring, selling, transporting, storing, and hedging natural gas;

WHEREAS, the City desires to enter into a Natural Gas Project Master Agreement, including, without limitation, related confirmations and credit support annexes or any necessary amendments thereto (the "Agreement") with UAMPS which will provide for (i) long term purchases or sales of natural gas which may be sourced from gas prepaid with the proceeds of tax-exempt bonds, (ii) short term purchases or sales of natural gas, including remarketing of prepaid gas, (iii) transportation or storage of natural gas, and (iv) hedging of the rate to be paid by the City with respect to a notional amount of natural gas during a stated period (each a "UAMPS Gas Transaction"); and

WHEREAS, each UAMPS Gas Transaction will be evidenced by a written confirmation issued under the Natural Gas Project Master Agreement between UAMPS and the City or other electronic means setting forth the terms and conditions of such UAMPS Gas Transaction (a "Confirmation" and collectively, the "Confirmations"); and

WHEREAS, the payments to be made by the City to UAMPS under the Natural Gas Project Master Agreement constitute a cost of natural gas and constitute operation and maintenance expenses of the System;

NOW THEREFORE, BE IT RESOLVED:

1. The entry by the City into the Natural Gas Project Master Agreement or subsequent amendments thereto including one or more Confirmations is hereby approved. The payments to be made by the City thereunder constitute operation and maintenance expenses of the System.
2. The Mayor, and the City Recorder (collectively, the "Primary Authorized Officers") are hereby authorized to execute and deliver the Natural Gas Project Master Agreement, on behalf of the City, in such form as the Primary Authorized Officer executing it may approve, such approval to be conclusively evidenced by the execution thereof.

3. The Primary Authorized Officers, and the UAMPS Representative (collectively, the "Participant Gas Representatives") are hereby authorized to enter into, from time to time, one or more Confirmations in such form as the Officer executing it may approve, issued under an Agreement in accordance with the following parameters:
- (a) The notional amount of gas purchased under all Confirmations may not exceed **[200,000 mmbtu]** in any calendar year;
 - (b) The term of any transaction under a Confirmation may not exceed **[10]** years, unless such Confirmation is for the purchase of Prepaid Gas in which case the term may not exceed [thirty] years.
 - (c) At the time of execution, the expected price for gas purchases in a calendar year shall not exceed **[\$ 6.00/ DTH]**. For purposes of this limitation, a forward curve as of the date of any Confirmation shall be used to approximate the price of any index based transaction.

ADOPTED by the City Council of the City on _____, 2015.

SPRINGVILLE CITY

By: _____
Mayor

Attest and Countersign:

By: _____
City Recorder



STAFF REPORT

DATE: September 30, 2015
TO: Springville City Council
FROM: Troy K. Fitzgerald, City Administrator
SUBJECT: ECONOMIC DEVELOPMENT MASTER PLAN

RECOMMENDATION:

A MOTION To Approve and Adopt the Economic Development Master Plan.

FOCUS OF ACTION:

The Springville General Plan, Objective 1 is to “Improve Springville’s economic image by creating a marketing strategy to promote job creation and quality of life advantages.” Strategy 1B of this objective is to “create an economic advisory committee to better define the City’s goals for future economic growth and develop a specific economic development plan to be updated every five years.”

BACKGROUND:

Two years ago the city created an Economic Advisory Commission and charged them with creating and recommending an Economic Development Master Plan. Following its formation, the Commission spent several months learning about economic development and discussing Springville City. Thereafter, the Commission spent most of a year going through the community on a district and corridor basis to determine what should be done to promote and encourage economic development throughout the City.

After supplying information and recommendations on each district and corridor defined by the General Plan, staff wrote a draft report. This draft report was reviewed with the Commission and recommended changes were introduced to the report. Following a unanimous vote in favor of recommending the plan to the City Council, the attached Economic Development Master Plan has been submitted to the City Council.

CITY COUNCIL AGENDA

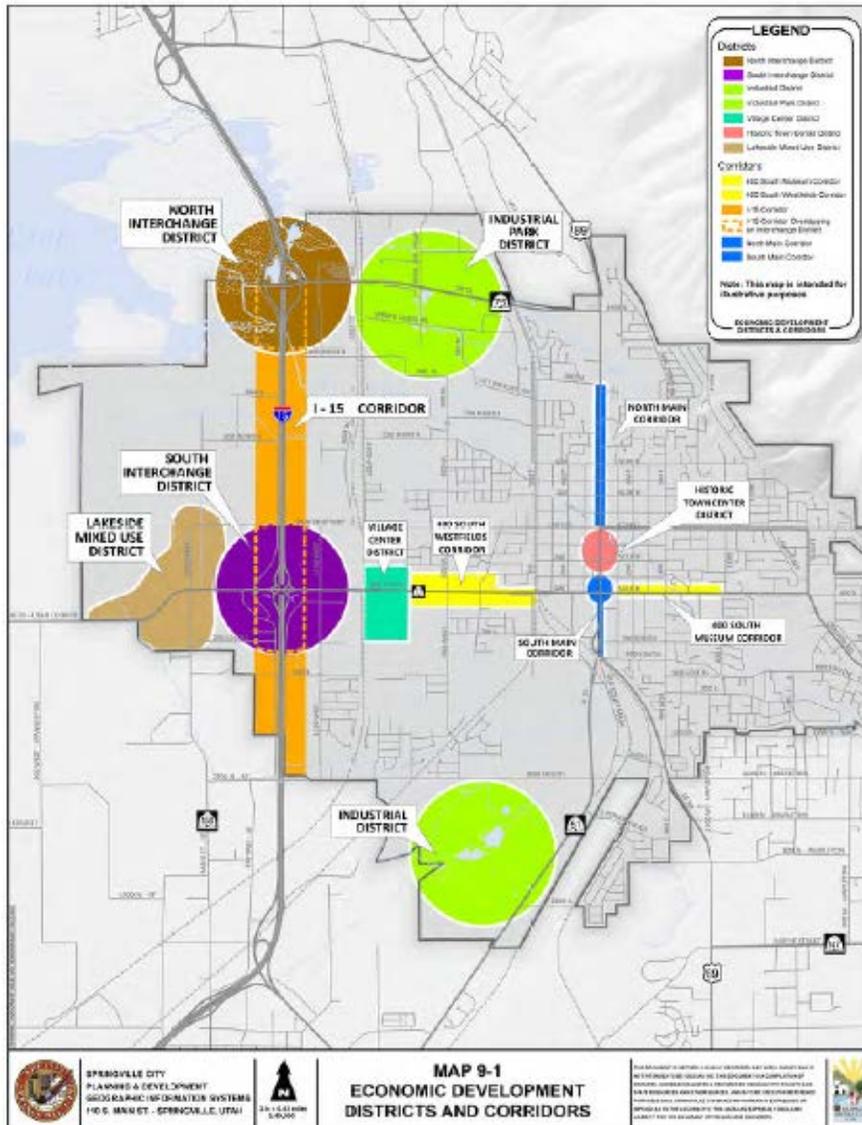
October 6, 2015

plan.doc

Economic Development Master Plan *economic development master*

DISCUSSION:

The Master Plan is developed around recommended initiatives, actions and catalytic projects for each area of the City. Districts and Corridors were taken directly from the General Plan.



In addition to the recommended initiatives and projects, policy guidance is recommended within the Master Plan. The recommended policy direction is as follows:

1. The City Council will consider reasonable incentives for development based upon a long-term view of the situation. Careful analysis will determine whether any particular incentives are good for the community as a whole.

2. The Economic Development Plan should be considered as part of the overall budget process. The City Council will give guidance as to which projects and initiatives will take precedence in future years as budget dollars allow.
3. Proposed developments will be considered in light of the General Plan and this Economic Development Plan. Staff reports should refer to elements of both plans which may be affected by the development.
4. City staff is directed to track implementation efforts and metric to show the success of any initiative or project as it relates to economic development.

This policy guidance will help direct staff on how to proceed with encouraging economic development throughout the City.

ALTERNATIVES:

The City Council has great flexibility in determining initiatives, actions and catalytic projects for the community. In addition, the Council has complete control of policy guidance given to staff on economic development. Any items may be removed from the plan and additional recommendations may be added.

FISCAL IMPACT:

No direct fiscal impact from the Plan. Full implementation of the initiatives, actions and catalytic projects amount to many millions of dollars. Implementation will be controlled by the city's standard budget process.

Troy K. Fitzgerald
Troy K. Fitzgerald
City Administrator

Attachments

SPRINGVILLE CITY

ECONOMIC DEVELOPMENT MASTER PLAN 2015



SHAPING SPRINGVILLE
for 2035

INTRODUCTION TO THE ECONOMIC DEVELOPMENT PLAN



The Springville General Plan is the long-range policy document that expresses the City's development goals, objectives and strategies relative to the distribution of future land uses, both public and private. The General Plan also addresses a number of other topics or 'elements'. The General Plan is not a panacea for all of Springville's physical development issues, but is intended to identify issues and work to find answers to those issues. The plan provides a vision for the next twenty years to help provide guidance and a framework for development within the City to build-out.

The City will be largely built-out over the next generation. Most of the green fields will be developed and the population will largely stabilize, or at least cease to grow at rates of over four percent annually as it has for the past decade. Now is the opportunity to plan the City's future for generations to come.

The General Plan is not meant to be a static document. It is a tool that should be used as a guide to identify the goals and vision for physical development, to encourage economic growth without adversely impacting the overall character of the community.

Future master plans and capital improvement plans will be detailed plans that follow the General Plan. As capital improvements are completed and as other elements of the plan become outdated, it will become necessary to revise the plan and associated master plans.

Chapter 9 of the Springville General Plan discusses Economic Development. A crucial part of the General Plan is to establish goals, objectives and strategies to accomplish them. The primary goal of the City with regard to economic development is "to encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity." Springville General Plan, page 9-8. The first objective of this goal is to "Improve Springville's economic image by creating a marketing strategy to promote job creation and quality of life advantages." *Id.* This is to be accomplished by creating "an economic advisory committee to better define the City's goals for future economic growth and develop[ing] a specific economic development plan to be updated every five years." *Id.* This document is the economic development plan.





Springville City's family-centered and traditional neighborhoods have led to the development of important core values.

Springville City has a magnificent **setting** that allows for immediate access to a variety of outdoor recreational pursuits while remaining connected to Utah's population centers. Springville City's family-centered and traditional neighborhoods have led to the development of important core values. Ideals include **education, arts and culture** and an **Americana lifestyle**. These values are exemplified by tree-lined streets, a historic downtown district, a walkable community with a variety of architectural styles and dominant facilities including an excellent library and a preeminent, regional art museum. Access to one of the best recreational canyon areas is also easily available. Hobbie Creek Canyon features one of the most beautiful, world-class golf courses anywhere. The canyon also boasts campgrounds and picnic areas, hiking, cycling, and a large, new park featuring a small, man-made lake accessible to swimming, fisherman and non-motorized boating. All of these amenities and growth potential near I-15 make Springville an ideal location for business and families.



TABLE OF CONTENTS

Springville General Plan.....	1
Incentives.....	2
By the Numbers.....	3
Economic District Analysis	
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North Interchange	4
South Interchange.....	5
Lakeside Mixed-Use.....	6
Industrial Park	7
Industrial.....	8
Village Center.....	9
Historic Town Business Center	10
Economic Corridor Analysis	
<hr/>	
I-15.....	11
North Main	12
South Main	13
400 South West fields	14
400 South Museum.....	15
Conclusion.....	16
Maps.....	17



Introduction to Economic Development

Efforts to attract jobs, encourage the growth of businesses, and grow income are all important to the vitality and well-being of Springville. While the community has shown interest in economic development for many years, it is important that Springville continues to define its role in economic development.

The Benefits of doing Economic Development in Springville

Springville currently benefits from a variety of natural and manmade improvements which help make the City a great location for economic development.

Springville is beautifully situated on the south end of the Wasatch Front with a historic town center that has largely maintained its integrity through the years. This area of tree-lined streets and historic buildings contributes to a small town identity that is attractive to many types of business firms. The City also includes hundreds of acres of vacant land available for commercial and manufacturing uses. Additionally, vacant land is zoned for a variety of densities for residences to help ensure that the wide variety of housing types are available for people who choose to live and work in our community.

The Springville Museum of Art, located within the historic area, is a significant cultural venue in the region and draws national and international attention with its range of permanent and temporary exhibits. Hobbble Creek Canyon is the home of Hobbble Creek Golf Course that has continued to be recognized regionally as one of the best public golf courses. Additionally, a developing trails system through the City and Canyon, along with a constantly improving park system, contribute to the opportunities for recreation.



Proximity to regional and national road, rail, and air transportation networks all help address the variety of transportation needs important to many companies. Improvements on the I-15 interchanges have occurred over the past eight years which have improved traffic flow in those areas.

Traditional infrastructure improvements for water, sewer, and streets continue to be constructed in connection with development. As nearly half of the City is vacant land, costs for infrastructure improvements continue to be a challenge. Efforts are being made to ensure that the infrastructure system meets the current and build-out needs of the City, which is ultimately a more economical approach for businesses and taxpayers.



SPRINGVILLE GENERAL PLAN

The importance of a committed, educated workforce is essential to successful economic development. According to the 2000 US Census, over 90% of Springville's population over 25 years of age are high school graduates and over 30% have at least a college degree.

Efforts for quality education is a continuous focus of both Nebo School District and the charter schools which provide primary and secondary education in the City. In addition to these facilities, Brigham Young University and Utah Valley University are located within a ten-mile radius of the City. Mountainland Applied Technology College is also within that ten-mile radius and provides important vocational training opportunities, along with several other private vocational colleges.

The Role of Government in Economic Development

Springville's role in encouraging Economic Development may include certain demand-side efforts such as helping local suppliers find local producers, encouraging local buying of products and marketing local products. The majority of efforts are on the cost or supply side of the equation. Types of activities where the City can be most effective include:

- ~ Developing a data base of available commercial and industrial land and buildings;
- ~ Clearing and assembling land;
- ~ Reviewing and modifying regulations that are overly burdensome to business;
- ~ Underwriting risk (e.g., use of tax increment financing, utility construction, renewal project);
- ~ Working with others to promote economic development;
- ~ Providing or helping set up job training; and,
- ~ Considering changes to tax structure.



SPRINGVILLE GENERAL PLAN

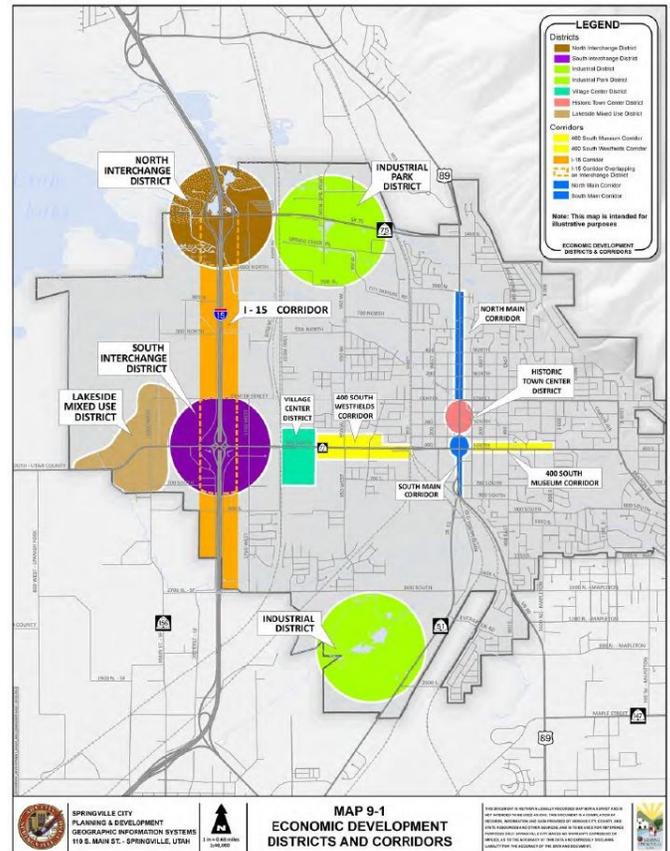


- ~ Should Springville further define what types of commercial and manufacturing uses are appropriate for which areas of the City? and,
- ~ Are there specific types of analysis that need to be done by the City to better understand what is taking place here economically?

The City Council also has the important role of defining the overall policy direction for Springville City. Just as businesses do an analysis to determine the costs and benefit of doing business in a certain location, the City may do likewise. A clear vision of what types of uses are seen as being appropriate for Springville are explored herein. In considering economic incentives and the development of districts and corridors, the Economic Advisory Commission worked through many questions. Here are some examples of considerations:

In accordance with the Springville General Plan, this Economic Development Plan focuses on each individual District and Corridor with Springville to determine how Springville City can best promote economic development within the community in accordance with the Economic Advisory Committee's core ideology and envisioned future for the community.

- ~ While there are many resources here, such as water, could the City support a water intensive use? If it were to do so, what other types of businesses might not be able to locate here?
- ~ Are there businesses whose locating here might serve as a deterrent to other businesses locating here because of odors, appearance, or other types of impacts?
- ~ Are there specific resources in our community which should be promoted to try to encourage certain types of businesses or manufacturers to locate here?
- ~ What is the overall effect of a business or manufacturer on our community now and in the future? Is that impact worth having the business in our City?



I. Background

In the State of Utah, local governments have a limited palette of incentives that may be offered to potential developments. The state has a number of incentive programs that are focused on job creation. The city does not control any aspect of this process. At the local level, incentives can be lumped into four broad categories: tax rebates, infrastructure, fee waivers and loans.

A. Tax Rebates

Historically, the State of Utah allowed tax rebates through “Redevelopment” projects. In the past several years, traditional redevelopment projects have been replaced in the state code with a variety of projects which allow tax rebates to be offered to developers. These are now called Economic Development Areas, Urban Renewals Areas, and Community Development Areas.

All of these programs effectively do the same thing. They allow property tax increment to be shifted back to the development area to encourage development. In some cases, sales tax revenues can also be used to the benefit of the developer.

Springville currently has one existing Redevelopment Area (RDA) and one existing Community Development Area (CDA.) The RDA comprises 100 acres west of I-15 between exit 260 and 261. The CDA is located on both sides of 1750 West between 400 South and Center Street. An additional CDA is being considered to overlay and expand the existing RDA area.



B. Infrastructure

The City has full control over its own capital improvement programs. Each year, the City spends millions of dollars on roads, water pipes and power lines. Generally, the City spends more operational dollars on maintenance and replacement than on new construction. The city does spend significant dollars on expanding utilities due to new growth. Most of these dollars come from impact fees charged to new development.





C. Fee Waivers

Retail developers often ask for fee waivers. Building and development fees can often be very costly. In a similar vein to the infrastructure discussion, impact fees cannot be waived without consequence. The impact fee fund must be made whole with dollars from a source that the Council has complete discretion over.

In order to “waive” the impact fees the City must spend real dollars to pay the impact fees for the developer. It is true that these are dollars going from one city pocket to another city pocket, but the use of the impact fee dollars become very restricted.

D. Loans

Large cities in Utah and other states often offer various low interest loans to encourage development in their cities. These are rarely used for retail development. They also require a lot of city resources to manage the program. Money must be set aside to loan to businesses. Staff must create loan programs and manage them. Staff has to collect on the loans and foreclose when businesses fail. Provo and Salt Lake City have such programs. Springville City currently has no program and does not anticipate starting such a program in the near future.



The City will review how the development enhances the community and moves the city towards accomplishing the goals set forth herein...the City will set fees at the lowest manageable rate to encourage development without the need for additional incentives.



II. City Positions on Incentives

After extensive consideration and discussion, the City's policy towards incentives is one of offering reasonable incentives that make sense for the community. This means that the City will focus on the long-term effect of the proposed development, not the short-term view. It means that not every development warrants incentives and that the incentives will be tied closely to the long-term benefits and return of the development to the City as a community.

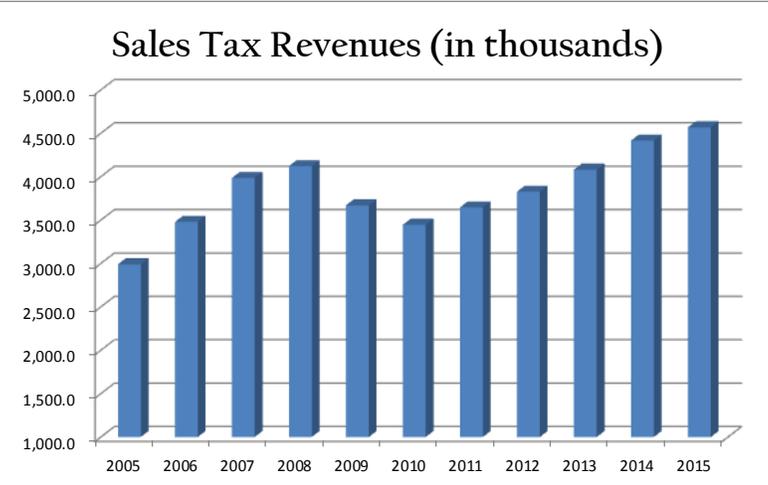
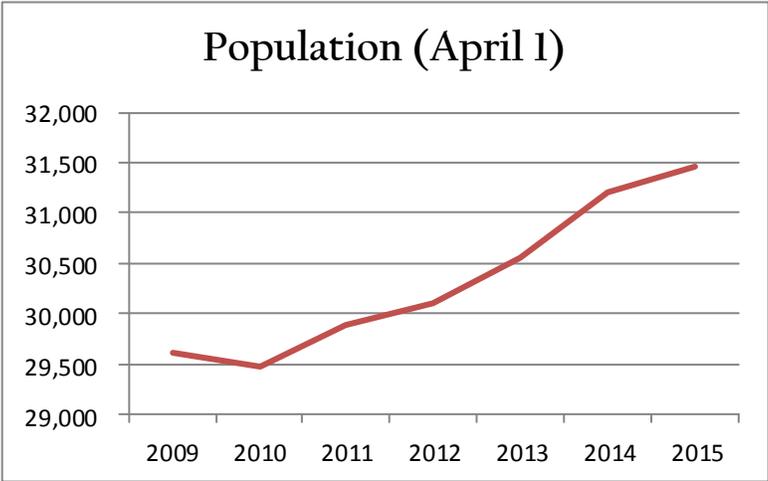
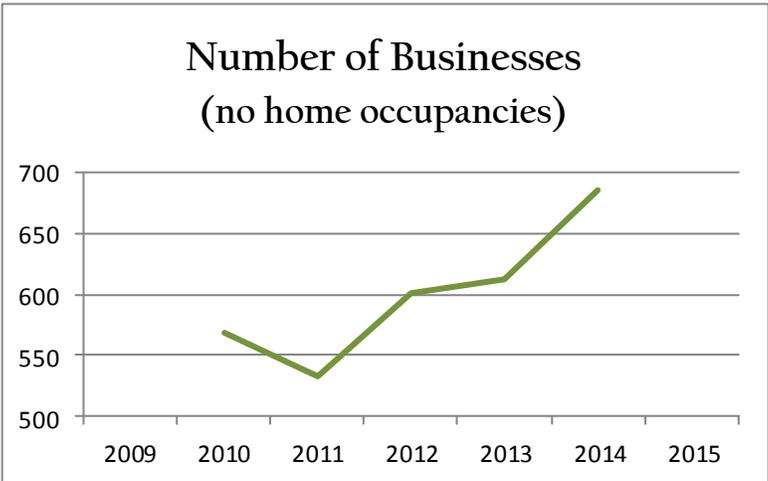
Incentives will be considered on a case-by-case basis and will not be limited to large scale development. Buy local/shop local initiatives, specialty store, and restaurant incentive programs should be considered. The City will also work with local and state-level agencies to encourage manufacturing and high tech companies to locate within the City.

In analyzing incentive opportunities, the City will look at total tax revenues generated by the development less cost of serving such developments. The City will also review how the development enhances the community and moves the city towards accomplishing the goals set forth herein. The likelihood of long-term positive impact will be accounted for in the analysis. In general, the City will set fees at the lowest manageable rate to encourage development without the need for additional incentives.



BY THE NUMBERS

Springville City has seen consistent, positive economic growth for more than a decade. This section contains information, numbers and charts which reflects the current status of economic activity in Springville.



36%

Bachelor's Degree or Higher

72.3%

Home Ownership Rate

\$58,504

Median Household Income



ECONOMIC DISTRICT ANALYSIS

North Interchange District

South Interchange District

Lakeside Mixed-Use District

Industrial Park District

Industrial District

Village Center District

Historic Town Business Center District



ECONOMIC DISTRICT ANALYSIS

NORTH INTERCHANGE DISTRICT

Definition

The North Interchange District comprises an area surrounding exit 261 from I-15 in a radius of approximately one-half mile. The existing RV Park would be at the outside edge of this District.

Our Vision

The North Interchange District has a variety of characteristics. Travel services will continue to be offered immediately off of the freeway interchange. On the east side of the district, uses will transition to light industrial. On the south side of the district, a business park and residential uses will cluster along 1750 West. On the west side of the district, efforts need to be made to improve the view of and access to the future uses west of the freeway.

Initiatives and Actions

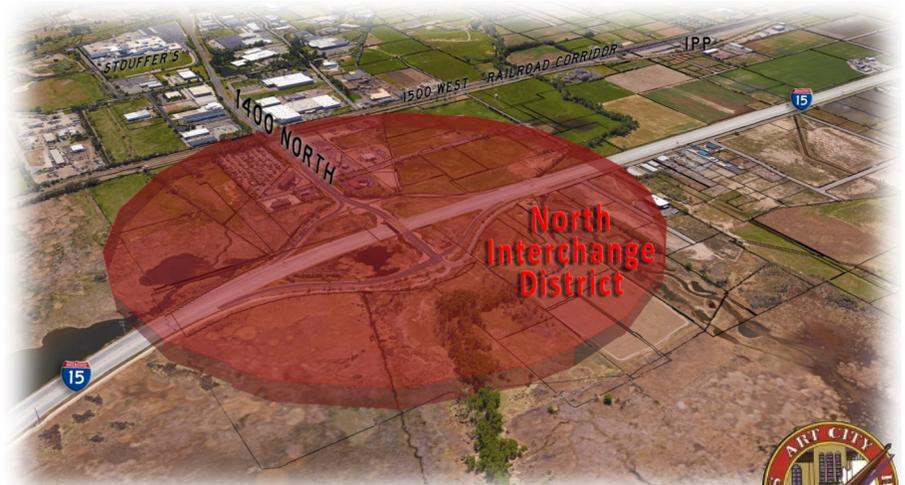
1. Improve look and feel of 1750 West. Connecting 1750 West to 400 South is one of the top catalytic projects suggested for encouraging development. Improving the look and feel of the north end of this road at the intersection of 1400 North will assist goals to see a business park constructed along the east side of the I-15 corridor.



2. East/West Connector at 1000 North. Work towards an improved east/west connector at approximately 1000 North to provide better access to the Community Park and Westfields residents.
3. Light Industrial Pocket. Consider a light industrial pocket between the railroad tracks and I-15. This would provide a transition between the Industrial Park District and the North Interchange travel-related services near I-15.
4. Residential Housing. Residential housing may be an option on the south side of this district as 1750 W approaches the creek.
5. Entry Signage. Entry signage would be a good addition to the District so travelers know they are entering Springville.

Catalytic Projects

1. Exit 261 West Side. Improving the west side of the Exit 261 off-ramp will encourage development around the interchange and encourage traffic down the west frontage road.



ECONOMIC DISTRICT ANALYSIS

SOUTH INTERCHANGE DISTRICT

Definition

The South Interchange District comprises an area surrounding exit 260 from I-15 in a radius of approximately one-half mile. The existing Wal*Mart would be at the outside edge of this District.

Our Vision

The South Interchange District provides large box, mid-size box, and pad sites for a variety of retail uses.



Initiatives and Actions

1. Big Box stores on the East. The District is all about retail. The City encourages big box, clustered retail on the east side of I-15.
2. Travel related services. The focus of the west side of I-15 should be on travel-related services. As residential neighborhoods start to develop, additional retail solutions may be warranted.
3. Entry Signage. Entry signage would be a good addition to the District so travelers know they are entering Springville.

Catalytic Projects

1. Railroad Crossings. Getting road connections across the 1500 railroad tracks is a priority. One crossing at approximately 900 South and a second crossing somewhere near Center Street would be preferred. The 900 South crossing should be worked on immediately. The second crossing will be a longer-term project.



ECONOMIC DISTRICT ANALYSIS

LAKESIDE MIXED-USE DISTRICT

Definition

The Lakeside Mixed-Use District incorporates land around 400 South from approximately 2500 West to the end of the City.

Our Vision

The Lakeside Mixed Use District is to provide opportunities for the development of a mix of commercial, office and residential uses at the major intersection of 2600 West and 400 South with an opportunity to provide a full range of housing types within the City and create housing near shopping and work opportunities to decrease vehicular trips and encourage pedestrian traffic.



Initiatives and Actions

1. Maintain Zoning. Maintain the current zoning to allow development as it occurs. Once development is well underway, review the zoning code to ensure that the vision is being met by the code.



ECONOMIC DISTRICT ANALYSIS

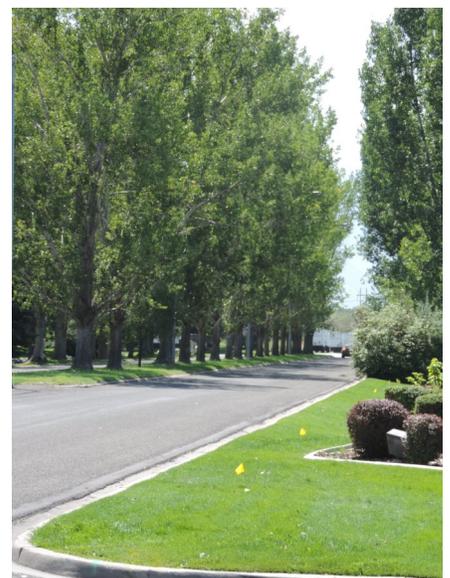
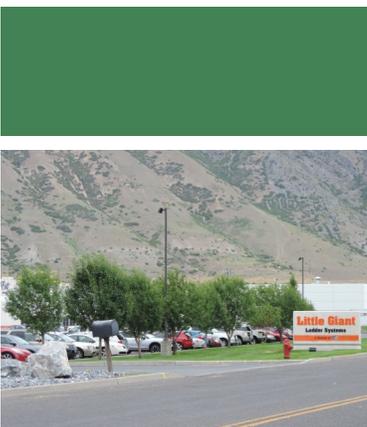
INDUSTRIAL PARK DISTRICT

Definition

The Industrial Park District comprises all industrial parks on the north side of the City. The District ranges from 1500 West to approximately 600 West and from 900 North to the north edge of the City.

Our Vision

The Industrial Park District is well-developed and mostly full. The focus in the district will be in keeping the District greens well-maintained and attractive for future occupants.



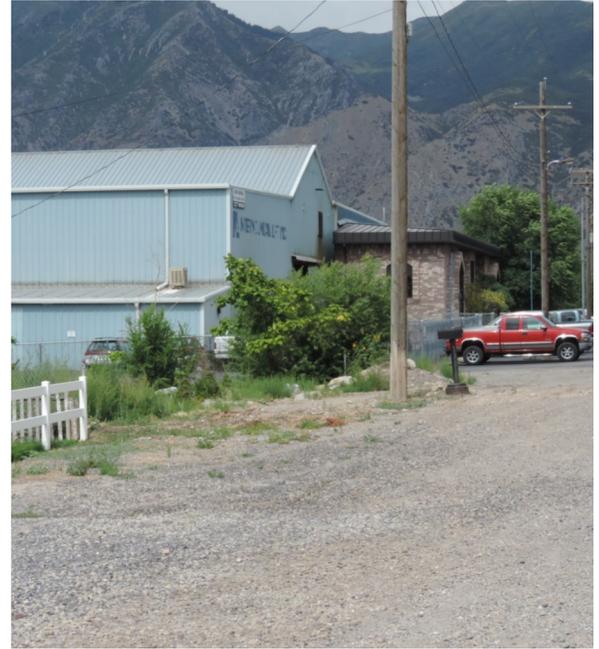
Initiatives and Actions

1. Maintenance. Encourage proper maintenance of facilities and grounds while maintaining City infrastructure.



ECONOMIC DISTRICT ANALYSIS

INDUSTRIAL DISTRICT



Definition

The Industrial District comprises all land south of 1600 South and west of State Road 51.

Our Vision

The Industrial District is largely undeveloped and full of difficult to develop land. Over time, this area would begin to mimic the north industrial park with a focus on light industrial manufacturing as opposed to heavy industrial uses.

Initiatives and Actions

1. Transportation. No roads traverse the center of this District. One of the first priorities will be to plan for road connections through this District.
2. Land Acquisition. Consider acquiring this land in this District as funds allow or as other City property is sold.
3. Zoning. Zone the land to mimic the Industrial Park District.

Catalytic Projects

1. Freeway Interchange. Encourage regional planners to provide for a new freeway interchange and good connectivity into Mapleton. This may allow more commercial development along 1600 South.



ECONOMIC DISTRICT ANALYSIS

VILLAGE CENTER DISTRICT



Definition

The Village Center District runs from 1200 West to 1500 West and from 300 South approximately 700 South.

Our Vision

This District is the least developed of all District and Corridors in town. It is largely conceptual in nature and should be held until proper developers are found that can bring the vision to reality. As stated in our current zoning code, the Village Center District is intended to provide opportunities for mixed-use development. This district will require a master-plan concept to be presented to ensure the development meets the intent of the zone. Development in this area includes buildings of up to three stories in height that line the street right-of-way. Multi-family dwellings included in this area may include minimal setbacks. On-site parking is primarily located to the rear of buildings in the center of the block. Mass transit will be part of the overall plan for this area.



Initiatives and Actions

1. Hold for Development. Patient holding of this area to allow for proper development is encouraged.

Catalytic Projects

1. Transit. Continue to encourage the extension of Frontrunner to the planned location within this District.



ECONOMIC DISTRICT ANALYSIS

HISTORIC TOWN BUSINESS CENTER DISTRICT

Definition

The Historic Town Center District runs from Center Street to 300 South and from 100 West to 100 East.

Our Vision

With raised center medians, tree-lined streets and historic, traditional retail buildings, the center of town clearly meets the core ideology desired for long-term development of the City. The Historic Town Center should maintain the current look and feel. Zoning should encourage art and specialty stores and the City should invest in this area of town to keep it viable and vibrant.

Initiatives and Actions

1. Zoning. Zoning rules should be established or maintained to keep the current look and feel while seeking to attract art and specialty stores that can be successful in this environment.
2. Incentives. The City should explore the possibility of building an incentive program to encourage and support investments and improvements from Center Street to 400 South.
3. Parking. The City should stay engaged in and look for opportunities to provide parking to support downtown businesses.



Catalytic Projects

1. 300 South to 400 South transition. The current transition from the Historic Downtown to the South Main corridor is abrupt and immediate. Projects should be encouraged which improve the transition from the Historic Downtown to the South Main Corridor and 400 South Museum Corridor. Businesses may be encouraged to bring their front closer to the street.



ECONOMIC CORRIDOR ANALYSIS

I-15 Corridor

North Main Corridor

South Main Corridor

400 South Westfields Corridor

400 South Museum Corridor



Definition

The I-15 Corridor runs the entire length of town along I-15. The two interchanges along I-15 are handled separately from the I-15 Corridor. The corridor runs at least 1000 feet in width providing 500-600 feet on either side of the freeway.

Our Vision

The I-15 Corridor will take on a variety of characteristics in this long-term plan. Encouraging a variety of businesses to locate within the corridor will enhance the retail possibilities surrounding the interchanges. A business park and even a village-center concept within the corridor will provide long-term economic stability for the city.

Initiatives and Actions

1. Planning. Additional, detailed planning is appropriate for this corridor. The planning projects would provide zoning for concepts set forth herein as opposed to the blanket zoning currently in place.
2. Business Park. Consider a business park in the middle of the corridor or on the north near the creek on the east side of I-15 which would allow for low-rise office buildings and clean uses to encourage high-tech companies to locate south of Provo.
3. Redevelopment. Consider a variety of redevelopment incentives within the corridor to promote growth in accordance with high tech, retail and even incubator businesses.

4. Residential Pods. Business uses could be interspersed with residential ‘pods.’ These pods would not be a vertical mixed-use area, but rather neighborhoods of residential correctly placed in the corridor to obtain a better mix of commercial to residentially-zoned land.
5. Alternative Vehicle Sales. The west side of I-15 may be a good location to build a cluster of non-traditional, high value vehicle sales locations. These vehicles include recreational vehicles, all-terrain vehicles, large trucks and boats.

Catalytic Projects

1. 1750 West Connector. 1750 West should connect between 400 South and 1400 North. This high priority project would encourage business growth between the two interchange districts.
2. Freeway Interchange. Encourage regional planners to provide for a new freeway interchange and good connectivity into Mapleton. This may allow more commercial development along 1600 South.



ECONOMIC CORRIDOR ANALYSIS

NORTH MAIN CORRIDOR

Definition

The North Main Corridor is generally defined as the commercial frontage on Main Street from Center Street to 900 North. Some comments and discussion surround the eventual development of the commercial node at 1400 North Main.



Our Vision

The North Main corridor transitions as one travels along its length. It is the one corridor within the plan that does not have a consistent theme throughout. From Center Street to 200 North and, eventually, to 400 North should become an extension of the Historic Town Center District. Thus, the vision is to have a Main Street feel with commercial buildings on the street stretching several blocks north of the governmental core. As a user moves farther north, the North Main Corridor will become more auto-oriented with a mixture of retail, offices and even residential uses from 400 North to 900 North. The intersection at 1400 North Main should develop as a commercial, retail node.

Initiatives and Actions

1. Walkable. Focus on making the entire length of the North Main Corridor more walkable. The focus should start near Center Street and move north. Zoning ordinances and current development should be encouraged and even required to give thought to pedestrian traffic in design. Efforts should be made both in design and through zoning to assure pedestrians that they do not feel isolated between a main highway and berming to hide parking lots.
2. Lighting. Main Street lighting which includes lighting for both vehicles and the pedestrian should be extended to 400 North. Lighting from 400 North to 1400 North should be reviewed and decisions made regarding the transition from pedestrian oriented to auto-oriented development. Custom lighting of a different type may be warranted from 400 North to 1400 North.

In addition to traditional street lighting, businesses are encouraged to consider additional decorative lighting on their businesses. Businesses and the Chamber of Commerce could work together to create a sense of 'place' with custom lighting to define the Historic Town Center District as vehicles and pedestrians enter the area.



ECONOMIC CORRIDOR ANALYSIS

NORTH MAIN CORRIDOR

Initiatives and Actions contd.

3. Traffic Flow. Examine the possibility of slowing traffic along the corridor.
4. Mixed Use. Consider mixed use development and even allowing housing as a permitted use in portions of the corridor from 400 North to 1200 North.
5. Bike Lanes. Connect to Provo's bike lane by working with the County and UDOT to have a dedicated bicycle lane through the corridor and connecting to the bicycle lanes on Center Street.
6. Business Promotion. Assist the Chamber of Commerce in focusing on small-scale Main Street businesses to keep retail options possible for Main Street.

Catalytic Projects

Two catalytic projects are envisioned to help spur development within the corridor.

1. Connectivity. Connecting 700 North to 400 East to allow more options into and out of the corridor.
2. Redevelopment. There are several historic motels along Main Street which have been allowed to deteriorate. Some have been transitioned both legally and illegally into apartments. Assisting landowners or developers to update, renovate, remove or redevelop these properties would encourage development along the corridor and show a commitment to keeping Main Street vital and important to the community.

Redevelopment can be encouraged through tax increment financing, general fund dollars, grants, infrastructure improvements and even volunteer assistance. Code enforcement should be a priority to ensure that all properties along the corridor meet minimum standards for health, safety and welfare of residents.



ECONOMIC CORRIDOR ANALYSIS

SOUTH MAIN CORRIDOR

Definition

The South Main Corridor runs from 400 South to approximately 900 South on Main Street.

Our Vision

Over the long term, Main Street should see growth with the continued look and feel of the existing Historic Town Center District in a mixed-use setting.



Initiatives and Actions

1. Zone for mixed-use through the corridor. Multi-family development is appropriate within the corridor. Other commercial uses are also encouraged. Zoning should allow for the City to respond to economically viable projects that come available in this corridor.
2. Upgrade interchange between highways 89 and 51. Encourage regional and state-wide transportation planners to upgrade the interchange from Main Street to Highway 89 and Highway 51. This updated interchange would allow better local connections within the corridor.



Catalytic Projects

1. 300 South to 400 South transition. The current transition from the Historic Downtown to the South Main Corridor is abrupt and immediate. Projects should be encouraged which improve the transition from the Historic Downtown to the South Main Corridor and 400 South Museum Corridor. Businesses may be encouraged to bring their front closer to the street.



ECONOMIC CORRIDOR ANALYSIS

400 SOUTH WESTFIELDS CORRIDOR



Definition

The 400 South Westfields Corridor runs from 400 West to 1200 West on 400 South.

Our Vision

This corridor is under heavy development at the current time (2015.) Much of the property will be developed within a year. The corridor is developing in harmony with the vision for this corridor – retail commercial on the frontage transitioning to professional office space as a user approaches the city center. This corridor has potential for additional office buildings, some transitional housing, and fast casual restaurants and other retail uses directly on the frontage.

Initiatives and Actions

1. Cautious on Incentives. Many developers have already located in this corridor with little or no incentives. The City has been aggressive at infrastructure installation with all major utilities in the corridor and ready for development. Future development should be able to take advantage of the existing development to locate in the area without incentives.
2. Encourage consistent development. The City should encourage future developers to develop in harmony with the creation of design standards in the corridor.



ECONOMIC CORRIDOR ANALYSIS

400 SOUTH MUSEUM CORRIDOR

Definition

The 400 South Museum Corridor runs from 100 East to 800 East along 400 South.

Our Vision

The 400 South Museum Corridor is anchored by the Museum on the West and Ream's on the east. In between is a mix of retail, office and residential uses. The vision for this corridor would be an intensification of use to and around 400 East from 100 East. On the east side of the corridor the vision is to continue the small town feel and mixed use of the existing corridor.

Initiatives and Actions

1. [Zone for mixed-use through the corridor.](#) Commercial development should be encouraged from 100 East to and around 400 East. Small-scale, multi-family development may be appropriate between 500 East and 700 East. Overall, intensifying uses is not recommended and maintaining a small-town feel east of 400 East is desired.
2. [Restaurants.](#) Encourage restaurants to locate in the corridor.

Catalytic Projects

1. [Roadway Design.](#) Having five lanes on 400 South from Main Street to 400 East will help spur commercial economic development along the corridor. This will provide ample traffic flow through an estimated year 2040.



While 2015 will likely be the biggest year in the history of Springville with regard to economic development, continuing to support and encourage long-term economic development for the City is crucial for citizens. Economic development provides jobs and diversifies the City's tax base. Economic Development inspires quality residential development and focuses the City Council and appointed authorities on long-term efforts that will ultimately benefit the City.

The plan presented herein will not be completed for many years. The Economic Advisory Commission and the City Council must routinely revisit the plan and update it for changing circumstances. Significant effort must be undertaken to plan for, budget and then implement catalytic projects contained herein.

In adopting this plan, the City Council provides the following policy guidance:

1. The City Council will consider reasonable incentives for development based upon a long-term view of the situation. Careful analysis will determine whether any particular incentives are good for the community as a whole.
2. The Economic Development Plan should be considered as part of the overall budget process. The City Council will give guidance as to which projects and initiatives will take precedence in future years as budget dollars allow.
3. Proposed developments will be considered in light of the General Plan and this Economic Development Plan. Staff reports should refer to elements of both plans which may be affected by the development.
4. City staff is directed to track implementation efforts and metric to show the success of any initiative or project as it relates to economic development.



Economic Development inspires quality residential development and focuses the City Council and appointed authorities on long-term efforts that will ultimately benefit the City.



MAP OF REDEVELOPMENT AREA



MAP OF COMMUNITY DEVELOPMENT AREA



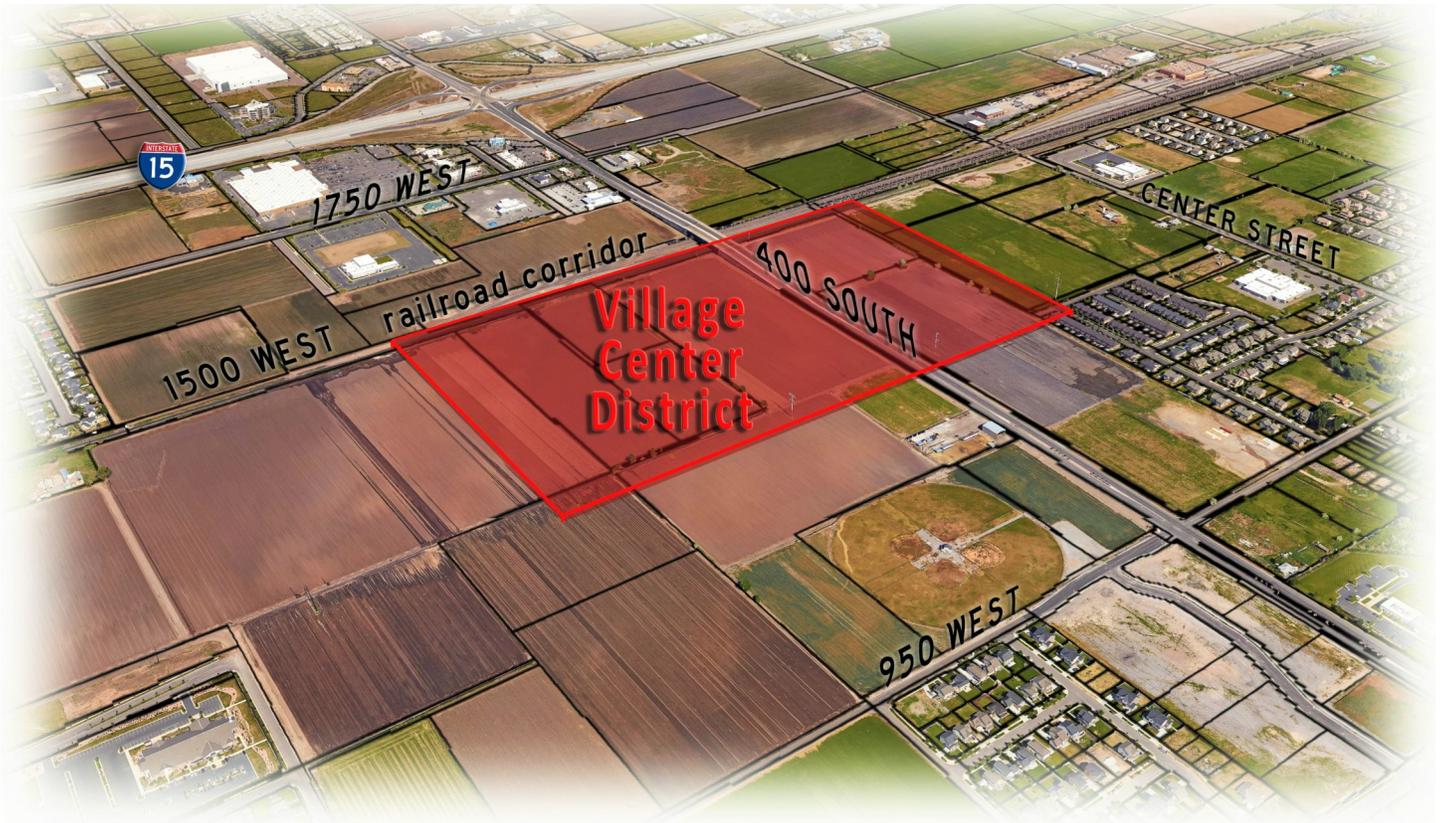
MAP OF DESIRED ROAD CONNECTIONS ACROSS RAILROAD TRACKS



MAP OF LAKESIDE MIXED USE DISTRICT



MAP OF VILLAGE CENTER DISTRICT



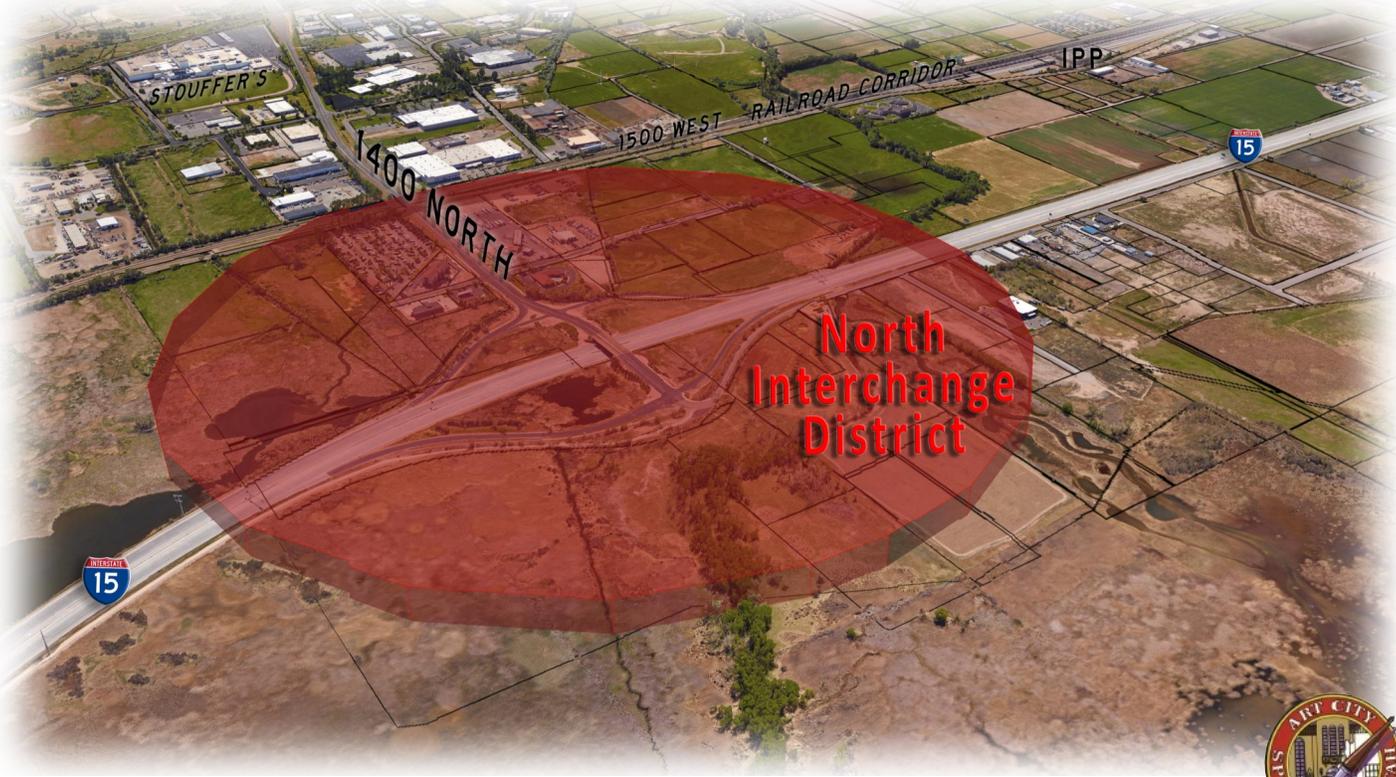
MAP OF DESIRED CONNECTION ON 1750 W BETWEEN 400 SOUTH AND 1400 NORTH



MAP OF DESIRED CONNECTION BETWEEN 700 NORTH AND 400 EAST



MAP OF NORTH INTERCHANGE DISTRICT



MAP OF INDUSTRIAL PARK DISTRICT



MAP OF INDUSTRIAL DISTRICT



MAP OF HISTORIC TOWN CENTER DISTRICT





STAFF REPORT

DATE: September 30, 2015

TO: The Honorable Mayor and City Council

FROM: John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF APPROVING A RESOLUTION DECLARING
SPRINGVILLE CITY'S INTENT TO PURCHASE SURPLUS PROPERTY
FROM NEBO SCHOOL DISTRICT.**

RECOMMENDED ACTION

Motion to Approve the execution of Resolution No. _____ that declares Springville City's intent to purchase from Nebo School District approximately 4.0 acres of surplus property located at approximately 105 South 400 East, Springville, Utah.

BACKGROUND

Nebo School District owns approximately 4.0 acres of property at the location of 105 South 400 East in Springville, Utah (the "Property"). The Property is the old Grant School. Under Section 53A-2-403 of the Utah Code Annotated, the District is required to notify Springville City that the Property has been declared surplus property, which the District did August 20, 2015. Within 90 days of receiving notice that the Property has been declared surplus property, Springville City may start the process to purchase the Property by adopting a resolution that declares the City's intent to purchase the Property.

Under Section 53A-2-403 of the Utah Code Annotated, the procedure for the City to purchase the property is as follows:

1. The District declares the Property surplus property and provides notice to the City that the Property has been declared surplus property.
2. Within 90 days of receiving the notice of surplus property, the City must adopt a resolution that it intends to purchase the property and deliver a copy of the resolution to the District.
3. The "purchase price" for the Property is the greater of: (a) an average of two appraisals (an appraisal obtained by the City, and an appraisal obtained by the School District); or (b) the amount the School District paid to acquire the Property. The School district is in the process of obtaining an appraisal, and the City has not yet obtained an appraisal on the Property.
4. Under Section 53A-2-403(6), the City may only use the Property for the following uses:

CITY COUNCIL AGENDA

- a. a city hall;
 - b. a park or other open space;
 - c. a cultural center or community center;
 - d. a facility for the promotion, creation, or retention of public or private jobs within the state through planning design, development, construction, rehabilitation, business relocation, or any combination of these, within a county city, or town;
 - e. office, industrial, manufacturing, warehousing, distribution, parking, or other public or private facilities, or other improvements that benefit the state or a county, city, or town; or
 - f. a facility for a charter school.
5. After the City delivers a copy of the Resolution to the District, the City has 90 days to deliver to the District an earnest money offer to purchase the Property at the purchase price.

The green space on the Property has been used by the City's recreation programs for several years. City staff has recently toured the inside of the old Grant School. The inside of the school appears to be in good condition. Before finalizing the purchase of the Property, the City will have the opportunity to conduct further due diligence of the Property to ensure that the Property will benefit the City. City staff has discussed possibly using the school facility for City and community programs or possibly razing the school to further expand Memorial Park.

FISCAL IMPACT

None at this time. If the City purchases the Property from the District, it will have to pay a purchase price in accordance with the above described process.

Attachments: Proposed Resolution No. _____

RESOLUTION NO. _____

A RESOLUTION DECLARING SPRINGVILLE CITY'S INTENT TO PURCHASE APPROXIMATELY 4.0 ACRES OF NEBO SCHOOL DISTRICT SURPLUS PROPERTY LOCATED AT APPROXIMATELY 105 SOUTH 400 EAST, SPRINGVILLE, UTAH.

WHEREAS, on August 12, 2015, the Nebo School District declared as surplus property approximately 4.0 acres of Nebo School District property located at approximately 105 South 400 East, identified with Property Tax Serial Nos. 23:043:0057, 23:043:0058, and 23:043:0066 (see attached Utah County survey map) (the "Property"); and

WHEREAS, on or about August 20, 2015, in accordance with Section 53A-2-403(2) of the Utah Code Annotated, Nebo School District (the "District") provided notice to Springville City, as an eligible entity, that the District has declared the Property to be surplus property; and

WHEREAS, Section 53A-2-402(3) of the Utah Code Annotated allows Springville City, as an eligible entity, to purchase the Property for the "purchase price," which price is the greater of: (a) an average of two appraisals (an appraisal obtained by the City, and an appraisal obtained by the School District); or (b) the amount the School District paid to acquire the Property; and

WHEREAS, in order for Springville City to purchase the Property, Section 53A-2-403(4)(a) of the Utah Code Annotated requires Springville City to adopt a resolution declaring the City's intent to purchase the Property and deliver that resolution to the District within ninety (90) days after receiving the District's notice that the Property has been declared surplus property; and

WHEREAS, Springville City intends to purchase the Property and to use the Property for a purpose listed under Section 53A-2-403(6) of the Utah Code Annotated.

NOW, THEREFORE, be it resolved by the City Council of Springville City:

Section 1. Pursuant to Section 53A-2-403 of the Utah Code Annotated, Springville City intends to purchase the Property from the District.

Section 2. Pursuant to Section 53A-2-403(4)(a)(i) of the Utah Code Annotated, a copy of this Resolution is to be delivered to the District.

ADOPTED by the City Council of Springville, Utah the ____ day of February, 2015.

Wilford W. Clyde, Mayor

Attest:

Kim Rayburn, City Recorder



STAFF REPORT

DATE: September 30, 2015

TO: The Honorable Mayor and City Council

FROM: John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF ENTERING INTO AN AGREEMENT WITH
OUTLOOK APARTMENT ASSOCIATES, LLC.**

RECOMMENDED ACTION

Motion to Approve a settlement agreement with Outlook Apartment Associates, LLC concerning an ongoing dispute over impact fees.

BACKGROUND

Outlook Apartment Associates, LLC is the developer and owner of a 260 unit apartment complex located at approximately 700 South 2600 West. At the time Outlook was planning its development, Springville was in the process of reviewing and updating its impact fees. Outlook felt that the current impact fees were too high compared to the impact of its development but decided to move forward with its project prior to Springville completing its new impact fee studies. Springville's new impact fee studies resulted in reduced impact fee amounts in several impact fees.

Outlook raised its arguments with the City concerning why it felt Outlook should not have had to pay as much as it did on certain impact fees. In order to preserve its arguments, Outlook was required to file, and did file, a lawsuit against the City within the one-year statute of limitations period allowed by State law.

Outlook and the City have been in discussions concerning the amount of impact fees Outlook was charged. Based upon the reduction in impact fee amounts adopted by the City since Outlook paid its impact fees and other considerations, the proposed settlement agreement before the City Council includes the follow provisions:

1. Outlook will be credited impact fees for future phases of its project, as follows:
 - a. \$184,945.02 for storm drain,
 - b. \$50,000.00 for parks, and
 - c. Approximately \$36,681.12 for Streets.
2. The lawsuit against the City will be dismissed and both parties will release each other for all claims associated with this matter.

The streets impact fee credit is for property Outlook dedicated to the City that is part of the

impact fee facilities plan and eligible to be purchased with impact fees.

FISCAL IMPACT

None at this time. The City will credit the above amounts to future impact fees.

NOTICE OF INTEREST

GUARANTEE OF FUTURE TRAIL INSTALLATION

This Guarantee is entered into this ___ day of _____, 2015 by and between Outlook Apartment Associates, LLC, a Utah corporation; JMMS Enterprises, LLC, a Utah limited liability company; General Construction & Development, Inc, a Utah corporation; and Springville City, a Utah municipal corporation. The parties to this Guarantee acknowledge and agree that each party has received good and valuable consideration, the receipt and legal sufficiency of which are acknowledged for the covenants, obligations, and requirements in this Guarantee.

Pursuant to the provisions of Section 10.3 of a Master Development Agreement for the Outlook Mixed Use Development (“Outlook”) executed as of January 21, 2014 between Springville City (“City”), JMMS Enterprises, LLC and Outlook Apartment Associates, LLC, (JMMS and Outlook Apartment Associates, collectively, “Developers”) Developers are required to guarantee in a form acceptable to the City that the remaining 980 feet of public trail will be installed and dedicated, in accordance with City ordinance, rules, regulations and policies, in a future phase of Outlook.

This Notice of Interest acknowledges that requirement and the fact that the City will not approve future phases of Outlook or issue building permits for future phases of Outlook to any person or entity unless the plans for such future phases submitted by Developers show the installation of the required additional trail. The required trail must be installed with the next approved phase of Outlook or issued building permit in Outlook. The additional 980 feet of public trail required to be installed and dedicated to the City pursuant to this Notice is for the density bonus granted Developers for Phase 1 of Outlook. Accordingly, the requirement to install the 980 feet of public trail shall not count towards any density bonus for any future phase of Outlook.

This Guarantee shall be recorded, run with the land, and inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, representatives, officers, agents, employees, members, successors and assigns.

The real property subject to this Notice of Interest is described in Exhibit “A” which is attached hereto and incorporated by reference.

Outlook Associate, LLC,

By: _____

Its: _____

JMMS Enterprises, LLC

By: _____

Its: _____

General Construction & Development, Inc.

By: _____

Its: _____

Springville City

By: _____

Its: Mayor

Attest: _____

City Recorder

DEVELOPER ACKNOWLEDGMENT

STATE OF UTAH))

:ss.

COUNTY OF UTAH)

On the ____ day of _____, 2015, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of Outlook Associate, LLC, a Utah corporation, and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

NOTARY PUBLIC

My Commission Expires: _____

Residing at: _____

OWNER ACKNOWLEDGMENT

STATE OF UTAH)

:ss.

COUNTY OF UTAH)

On the ____ day of _____, 2015, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of JMMS Enterprises, LLC, a Utah limited liability company, and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

NOTARY PUBLIC

My Commission Expires: _____

Residing at: _____

OWNER ACKNOWLEDGMENT

STATE OF UTAH)

:ss.

COUNTY OF UTAH)

On the ____ day of _____, 2015, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of General Construction and Development, Inc., a Utah incorporation, and that the foregoing instrument was duly authorized by the corporation at a lawful meeting held by authority of its operating agreement and signed in behalf of said corporation.

NOTARY PUBLIC

My Commission Expires: _____

Residing at: _____

CITY ACKNOWLEDGMENT

STATE OF UTAH)

:ss.

COUNTY OF UTAH)

On the ____ day of _____, 2013, personally appeared before me _____ who being by me duly sworn, did say that he is the Mayor of Springville, a political subdivision of the State of Utah, and that said instrument was signed in behalf of the City by authority of its City Council and said Mayor acknowledged to me that the City executed the same.

NOTARY PUBLIC

My Commission Expires: _____

Residing at: _____