

Minutes of the West Bountiful City Council meeting held on Tuesday, March 15, 2016 at West Bountiful City Hall, 550 N 800 West, Davis County, Utah.

Those in attendance:

MEMBERS: Mayor Ken Romney, Council members James Ahlstrom, James Bruhn, Kelly Enquist, Mark Preece, and Andrew Williams

STAFF: Duane Huffman (City Administrator), Steve Doxey (City Attorney), Ben White (City Engineer), Chief Hixson, Steve Maughan (Public Works Director), Paul Holden (Director of Golf), and Cathy Brightwell (City Recorder/Secretary)

VISITORS: Alan Malan, Rick Bigelow, John Thackeray, Armand Johansen, Reed Hellewell, Rick Ferlin

Mayor Romney called the worksession to order at 6:43 p.m.

Worksession to Discuss Tax Sharing Period with the Developers of the Commons at West Bountiful.

Mr. Johansen thanked Council for scheduling this work session. He began his remarks by reviewing the history of The Commons project and reminding the group that dealing with twenty-nine property owners was difficult and resulted in high costs. They ended up paying an average of \$18/sq. ft.

Mr. Johansen pointed out that The Commons is a fabulous shopping center with the highest revenue per sq. ft. in Davis County. They invested to make it look good and stand above other nearby shopping areas, and were successful in recruiting strong tenants. He stated that without this type of development, the property may never have developed into a business district like it is, plus he believes it reduced city costs by eliminating the need for municipal maintenance from streets that are now gone and reducing police costs. Their long term commitment continues to be demonstrated by their purchase of the adjacent *At Home* property, with plans to enhance landscaping to bring it up to par with The Commons.

Mr. Johansen noted that after 10 years, leases are now coming up for renewal and money must be reinvested to maintain quality and upgrade facilities in order to keep valuable tenants.

Mr. Johansen explained that based on the projections, they expected RDA sales tax and property tax increment distributions to be approximately \$12 million plus interest; however, in the first ten years they received approximately \$4 million. He claimed that they would never have done the Project if they had known they would be \$13M over budget with no way to re-coop the costs. He feels they deserve the extension; they have clearly demonstrated good faith. They believe the agreement was to extend another 10 years if necessary, although the City has not been able to find such records. Duane Huffman clarified that the property tax sharing will continue through 2026.

Mayor Romney asked council members to share their thoughts about the potential of extending the sales tax sharing period.

James Ahlstrom struggles with the contractual issues. Even though the developers did everything they agreed to do, why would any contracting party who has fulfilled its obligation do more than what is required? The City would have to be able to explain to citizens why it continued to share tax revenues when it did not have to, especially when we have our own financial issues to deal with. He said he would like to express appreciation for what they have done but is not sure an extension is the way to do it.

Andy Williams struggles with projections not being met; the City was affected as well. How does the City answer questions from residents? Even with an extension neither party will be made whole. He said he loves the development, and it is a wonderful place to shop. In an attempt to maintain a good relationship he said he would not be against discussing some type of modification to the agreement.

James Bruhn has no problem at all extending the tax sharing. He believes the developer did everything they said they would do, and the City should extend the period. The projections were not good given the economy, and he believes the extension language was there 'just in case.' He talked with several former council members that were in place at that time, and he believes that their understanding was that the Developers were to receive all they were supposed to in the first ten years.

Kelly Enquist said he is very impressed with the development. It looks great and he likes that they are purchasing *At Home*. He said he does not appreciate past City Councils putting them in this difficult position, and does not want a future Council to have to deal with another extension. While he likes the good faith efforts that have been made, his decision would likely be to not extend the sharing period.

Mark Preece stated that the City has had to make some pretty hard decisions to get out of financial problems including raising taxes and he now has a hard time marrying that to a decision to extend tax sharing. He said his history on City Council makes him inclined not to grant the extension, although he would be willing to look at potential compromises with an open mind.

Duane Huffman, City Administrator, discussed needing a good methodology if an alternative plan or compromise is developed. He suggested that one potential methodology could be based on changes in costs, while another could be based on additional investment. Steve Doxey, City Attorney, added that the original agreement has no binding language requiring the City to extend, and that no one is arguing that it does. As Council member Ahlstrom stated, this is purely a discretionary decision and we would need to make clear findings to justify giving away money that we are not obligated to give.

Mr. Hellewell commented that there was significant cooperation between the City and the developers in the initial agreement, which was good. Both parties all suffered when expectations were not met, but he believes we need to consider the history and make this work.

Mr. Huffman stated it was his understanding that 10 years was a negotiated point; some wanted 10 years and some wanted a firm dollar amount, so the original compromise was the 10 year period with the language speaking to a potential extension. The language could have been clearer, but there was no reason to have a 10 year clause if the City intended them to get a certain dollar amount. He also explained why he does not believe the economy was the primary reason numbers were not met. Rather, it was caused by faulty assumptions that the City would be able to share the full Local Option Sales Tax, when in fact the City would only receive 50% of the Local Option Sales Tax based on the point-of-sales. In addition, the original agreement was made prior to the Taxing Entity Committee drastically reducing the property tax increment sharing.

Mr. Hellewell said the developers are trying to continue their positive relationship with the City. They believe this was a 10 year checkpoint and the original intent was to continue to work together. The cap is 20 years and they do not expect anything after that. He added that the feedback has been very helpful from council members. They are willing to come up with an agreement that lets the City answer to its residents about why it is a good thing to do.

Mayor Romney asked Council members if they want to make a decision or table agenda item #4. He added that if he were to vote, he would want to see everyone succeed. He wished the agreement had been written more clearly as to what both parties would receive and what costs would be incurred. He would consider a modified agreement. Following discussion, it appeared that the council would be willing to discuss some form of a compromise in the future.

Mayor Romney adjourned the worksession at 8pm.

Mayor Romney called the regular meeting to order at 8:10 pm.

Invocation/thought – Kelly Enquist; Pledge of Allegiance – James Ahlstrom

1. Accept Agenda.

Duane Huffman explained that Senator Weiler's presentation has been rescheduled to the April 5th meeting eliminating agenda item 3.

MOTION: *James Bruhn moved to approve the agenda as amended removing #3. Mark Preece seconded the Motion which PASSED by unanimous vote of all members present.*

2. Public Comment.

No comments.

3. Discussion with Senator Todd Weiler Regarding the 2016 Legislative Session.

Senator Weiler has been rescheduled to the April 5 City Council meeting.

4. Consider Request to Extend Sales Tax Sharing Period with the Developers of the Commons at West Bountiful.

MOTION: *James Ahlstrom moved to table this item. James Bruhn seconded the Motion which PASSED by unanimous vote of all members present.*

5. Consider Ordinance 375-16, An Ordinance Imposing a One-Tenth of One Percent Local Sales and Use Tax to Fund Recreational and Cultural Facilities and

Organizations (“RAP Tax”) and Modifying Chapter 3.10 of the West Bountiful City Municipal Code for the Imposition, Collection and Distribution of the RAP Tax.

MOTION: *Andy Williams moved to approve Ordinance 375-16, An Ordinance Imposing a One-Tenth of One Percent Local Sales and Use Tax to Fund Recreational and Cultural Facilities and Organizations (“RAP Tax”) and Modifying Chapter 3.10 of the West Bountiful City Municipal Code for the Imposition, Collection and Distribution of the RAP Tax. James Bruhn seconded the Motion which PASSED.*

The vote was recorded as follows:

James Ahlstrom – Aye
James Bruhn - Aye
Kelly Enquist – Aye
Mark Preece – Aye
Andrew Williams - Aye

6. Consider Resolution 385-16, A Resolution Authorizing the Approval of an Interlocal Agreement for Justice Court Services with North Salt Lake City.

Council member Enquist asked Mr. Huffman how the recommendation to go with North Salt Lake was made over other nearby cities. Duane responded that North Salt Lake was determined to be the best overall fit.

MOTION: *Mark Preece moved to approve Resolution 385-16, A Resolution Authorizing the Approval of an Interlocal Agreement for Justice Court Services with North Salt Lake City. James Bruhn seconded the Motion which PASSED.*

The vote was recorded as follows:

James Ahlstrom – Aye
James Bruhn - Aye
Kelly Enquist – Aye
Mark Preece – Aye
Andrew Williams - Aye

7. Consider Proposed Budget Amendment for Fiscal Year 2015-2016 (2nd Amendment).

Duane Huffman reviewed the recommended changes for the current fiscal year budget to the General Fund, RAP Fund, Park Impact Fee Fund, and Golf Fund, most of which have been discussed in previous meetings. He explained that a public hearing is necessary before the budget can be amended.

One added item is a used aerator which was at the top of the list for next year's golf budget. Staff was able to find a used one that may not be available in July, so staff recommends adding it to this budget amendment and moving forward now with the purchase. Having an aerator will allow for additional aeration throughout the year, and based on over a 10-year life, should easily pay for itself based on our current rental payments for an aerator every fall.

There was also discussion about the Golf Fund and outstanding loans. While the proposed amendment contemplates paying off the final amount to the enterprise funds and eliminating the amount due to the General Fund, Mr. Huffman recommended leaving on the books the amounts due to the RAP and Capital Improvement funds. This would facilitate future transfers from the Golf Fund.

MOTION: *James Bruhn moved to tentatively approve the proposed 2nd budget amendment for fiscal year 2015-2016 and set a public hearing on April 5, 2016. James Ahlstrom seconded the Motion which PASSED.*

The votes were recorded as follows:

James Ahlstrom – Aye
James Bruhn - Aye
Kelly Enquist – Aye
Mark Preece – Aye
Andrew Williams – Aye

8. Discuss City Signage.

Mr. Huffman reviewed several outstanding signage issues based on previous budget plans and other discussions, and asked for direction on how to proceed.

- Murals at the Park were suggested last year with a desire to have someone paint a picture of the City's logo and the name West Bountiful City on the ends of the large bowery. We have advertised in the last two newsletters for volunteers to paint them but we do not have many details to share with those interested. After discussion, the consensus was to have Duane contact interested parties to get renditions of what they would paint and their proposals for how it would be accomplished.
- Two 'Welcome to West Bountiful' signs at City Park and on 400 North just west of the overpass were included in this year's budget. After discussion, it was decided not to move forward on these signs at this time.
- 500 South Interchange signage in partnership with Bountiful will include \$50K from UDOT but maintenance issues are still being worked out. After discussion, it was decided to move forward and to make sure West Bountiful's name is clearly visible.
- City Marquee Replacement. Due to its age, parts are no longer available, and it is not working properly. After discussion, the consensus was to move forward with a new marquee using part of the money previously budgeted for the *Welcome to West Bountiful* signs. There was also a request to make sure the new sign has automatic dimmer capabilities so there are no bright lights at night to disturb neighbors.

9. Engineering/Public Works Report.

Steve Maughan reported that construction of the new basketball court will begin tomorrow with concrete expected to be poured in a week. The project is expected to be finished in 30 days. He said we will need to monitor use to see if balls go into the parking lot or neighbor's properties and whether a fence will be needed at some point. He added that sprinklers will need to be moved around the new playground and basketball court and he is doing his best to have the work completed before secondary water is turned on.

The Pages Lane project is going smoothly and is now on a good pace. Questar is putting in a new gas line this week. Traffic problems caused us to close the road around construction areas during working hours which has worked much better by reducing driver delays.

The sidewalk repair that began late last year has been completed.

10. Police Report.

Chief Hixson reviewed his monthly report. He discussed earlier staffing changes including Lance Wilkinson's promotion to sergeant and Brandon Erikson's promotion to Assistant Chief. He also discussed Lieutenant Corie Hamilton's retirement effective March 15; he thanked her for her service and her dedication. An open house will be held on March 30, and attendance will be appreciated.

11. Administrative Report.

No report.

12. Mayor/Council Reports.

James Ahlstrom - no report

Mark Preece - reported that the Youth Council is still filling 5,000 eggs for the Easter Egg Scramble on March 26. The Sewer Board will go over methane recovery legislation at its meeting this week. He also talked about property the Board picked up from UDOT that may be available for lease for public works yard.

James Bruhn - talked about the nice St. Patrick's concert put on by the Arts council last week. They are beginning work to prepare for the Independence Day events and parade.

Andrew Williams - reported on the last planning commission meeting where they approved a conditional use permit for an auto detailing company at 1116 W 500 South.

Kelly Enquist - reported on the Mosquito Abatement meeting. They received training on the Zika virus. Spraying will begin in early April. He said several no spray zones are again in effect. Mayor Romney asked him to check on the no spray policy. He said with the high level of West Nile we had last year, all no spray zones should have been eliminated.

Mayor Romney - asked for an update on the no dog situation at the Park. Steve Maughan said they are preparing to order signs. Chief Hixson reported that officers have made several visits to the Park informing residents about the no dog policy. There was also discussion about putting dog waste bags and disposal containers at the entrances to the Prospector Rail trail and Onion Parkway trail.

13. Approval of Minutes from the March 1, 2016 City Council Meeting.

MOTION: *James Ahlstrom moved to approve the minutes from the March 1, 2016 meeting. James Bruhn seconded the Motion which PASSED by unanimous vote of all members present.*

14. Possible Executive Session for the Purpose of Discussing the Character, Professional Competence, or Physical or Mental Health of an Individual, Pursuant to Utah Code Annotated 52-4-205(1)(a).

MOTION: *James Ahlstrom moved to go into executive session at 8:15 pm in the police training room to discuss the character, professional competence, or physical or mental health of an Individual. Mark Preece seconded the Motion which PASSED.*

The votes were recorded as follows:

James Ahlstrom – No
James Bruhn - Aye
Kelly Enquist – Aye
Mark Preece – Aye
Andrew Williams - Aye

MOTION: *Mark Preece moved to close the executive session at 10:12 p.m. James Ahlstrom seconded the Motion which PASSED by unanimous vote of all members present.*

15. Adjourn.

MOTION: *James Ahlstrom moved to adjourn this meeting of the West Bountiful City Council at 10:15 p.m. Andy Williams seconded the Motion which PASSED by unanimous vote of all members present.*

The foregoing was approved by the West Bountiful City Council on Tuesday, April 5, 2016.