



PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Regular Meeting Minutes

5:30 PM, Tuesday, May 17, 2016

Room 200, Municipal Council Chambers

351 West Center

Opening Ceremony

Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member Kim Santiago	Council Member David Sewell
Council Member Vernon K. Van Buren	Council Member Gary Winterton
Council Member David Harding	Council Member George Stewart
Council Member David Knecht	Deputy Mayor Corey Norman
Deputy City Attorney – Brian Jones	Council Executive Director Clifford Strachan

Conducting: Council Chair Kim Santiago

Invocation and Pledge

Invocation: Jeremy Pyne

Flag Ceremony and Pledge: Cub Scout Troop 43 (Timp Neighborhood)

Neighborhood Presentation

Shannon Bingham, Timp Neighborhood Chair, was invited to give a brief presentation about her neighborhood. She reported her neighborhood had a service project scheduled for Saturday, May 21, 2016. They received a matching grant from Provo City to install three sprinkler systems and plant trees in the neighborhood. She reported a group of about 250 -300 people were scheduled to help with the project. It was great to see how the project had pulled all the neighbors together.

Approval of Minutes – April 19, 2016 and April 26, 2016 Council Meeting Minutes

Chair Santiago noted there were two corrections made to the April 19, 2016 minutes before the meeting.

Motion: Council Member David Knecht moved to approve the April 19, 2016 and April 26, 2016 minutes. The motion was seconded by Council Member Vernon K. Van Buren.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Presentations, Proclamations and Awards

1. A presentation by Kena Jo Mathews regarding Habitat for Humanity

Kena Jo Mathews, Habitat for Humanity of Utah County Executive Director, made a short presentation to the council about their current neighborhood programs. Ms. Mathews read the following Habitat for Humanity Mission Statement:

“Seeking to put God’s love into action, Habitat for Humanity of Utah County helps lift people, fosters hope, and unites diverse groups to improve the lives of individuals, families, and communities by building, renovating, and repairing homes.”

Habitat for Humanity of Utah County was founded in 1991 by a group of people in the community concerned about substandard housing. Since their inception they had completed 61 homes and provided 100 adults and 187 children with safe and affordable housing. They provided and sponsored several activities and services including:

- Safe and affordable homeownership and increased homeownership opportunities;
- New construction and development – including the first women built home on 500 South and 500 West in Provo (75 percent of all work completed by women);
- Purchase rehabilitation projects such as the George Taylor historic home;
- Critical home repair and beautification;
- Administer the neighborhood program for Redevelopment;
- Paint Your Heart Out;
- Provide a mobile tool library (only available in Provo);
- Supported the TyeRay Community Garden;
- Provided a radon awareness program;
- Supported the Habitat for Humanity ReStore – a donation driven used building materials store.

For more information on activities and volunteer opportunities residents could go to their webpage at www.habitatuc.org.

2. Presentation for Employee of the Month of March, 2016 - Rylee Snelson, Parks and Recreation Department

Scott Henderson, Parks and Recreation Director, presented Rylee Snelson with the Employee of the Month Award for March, 2016. Mr. Snelson began as a seasonal park laborer in 2006 and was currently a project foreman. He was a super talented person and had been instrumental in several projects including the Lion’s Park staircase and the Pioneer Museum parking lot. He and his wife Kelli had two daughters. Outside of work he enjoyed hunting, home construction projects, restoring old cars, and anything outdoors.

3. Presentation for Employee of the Month of April, 2016 - Suelen Whetten, Police

Kortney Hughes, Provo Police Victim Services Program Coordinator, presented the Employee of the Month Award for April 2016 to Suelen Whetten. Ms. Whetten began part-time in 2006 as the Spanish speaking victim services assistant. She left in 2008 and returned to Provo again in 2014. She had built a reputation of being a kind and knowledgeable supporter of the Hispanic community in the area. In October 2016 she was promoted to a full-time position working with all victims of crime. Ms. Whetten was described as being kind, caring, extremely tough, and working harder than anyone else. She and her husband Cliff enjoyed traveling and spending time with her “children” - two dogs named Chester and Bella.

Public Comment

There were no public comments.

Mayor's Items and Reports

4. Resolution 2016-17 tentatively adopting a proposed budget for Provo City Corporation for the fiscal year beginning July 1, 2016 and ending June 30, 2017. (16-054)

Dustin Grabau, Provo City Budget Officer, presented the proposed budget to the council. The proposed resolution was asking the council to tentatively adopt the proposed budget. The council would have time to review it and make any changes up until June 22, 2016 when a final budgeted needed to be adopted. The budget documents were available on line.

Mr. Harding presented an amended list and format for the Municipal Council Priorities which were included on Page 11 of the proposed budget. Council members discussed the amendments. They liked the new format but were concerned that the priorities were listed in alphabetical order instead of by priority. They suggested using the new format but changing the list so the items were listed by priority (as discussed and listed in several other documents).

Mr. Sewell stated that a link to council priority documents was included on the page Mr. Harding presented but the link was not active. Several council members expressed concern about providing a link to a page that was not active and suggested a reference to the documents could be used instead of the link.

Motion: Council Member Gary Winterton made a motion to include Mr. Harding’s document in the budget with the priorities listed as they were originally stated by the council and the link to the council priorities should be left on the page. The motion was seconded by Council Member David Sewell.

Although the link was not active at that time Mr. Strachan said he could work with IT to get the link working as quickly as possible.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Mr. Sewell noted that a few years ago the council discussed including a yearly property tax increase in the budget tied to an inflation index. Mr. Grabau said that was something they could explore because there were many different indexes they could use to tie an annual increase to. Mr. Sewell requested that finance study the issue and make a recommendation to the council.

Mr. Knecht asked if a property tax increases was tied to an inflation index would that be the maximum amount it could be increased? Or, would the council have the option of raising it higher, based on the needs of the city.

Mr. Sewell felt the council would always have the option to set the rate they wanted. He wanted to explore coming from another direction with property tax increases rather than requesting them every few years for specific things.

Mr. Harding felt it was an important policy question that needed more discussion. For more than 20 years the city went without an increase to the property tax rates and there had been no adjustments to inflation during those years.

Mr. Jones stated the concern with having automatic increases was the citizens wanted to know how the increased property tax funding was being spent. They wanted a rational basis for increasing the tax and an explanation for what it would be used for.

Mr. Sewell expressed concern about the large Public Works increases. Over a five year period the rates will have gone up about 74 percent. He asked if it would be possible to spread those increases out over seven years instead of five.

Dave Decker, Public Works Director, stated he would be happy to prepare that report for Water, Wastewater, Storm Water, and Sanitation. He said the result would be to delay some CIP projects. Some projects could not be delayed too long because of the need to comply with state regulations.

Mr. Harding suggested that the Energy rates be included in the report.

Mr. Jones suggested that Mr. Grabau do an analysis of the overall utility rate impacts using both five years and seven years so they could see all the information on one spreadsheet rather than one for Public Works and another one for Energy.

Motion: Council Member Gary Winterton moved to approve **Resolution 2016-17** tentatively adopting a proposed budget for Provo City Corporation

for the fiscal year beginning July 1, 2016 and ending June 30, 2017.
The motion was seconded by Council Member David Harding.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

5. A public hearing on Resolution 2016-18 approving the 2016-2017 Annual Action Plan, an update to the 2015-19 five-year Consolidated Plan, for submittal to the U.S. Department of Housing and Urban Development. (16-033)

Daniel Gonzalez, Redevelopment Agency Analyst, presented. The proposed draft was presented to the council during the April 19, 2016 council meeting and a 30-day public comment period began. He reported there had been several options for citizens to view the document. Mr. Gonzalez reported that three citizens made comments during the public hearing at the council meeting on April 19, 2016 and those comments have been included in the document. Since that time the RDA had not received any further comments. He requested the council adopt the 2016-2017 Annual Action Plan to submit the plan to HUD.

Chair Santiago invited public comment. There was no response to the request.

Motion: Council Member Vernon K. Van Buren moved to approve **Resolution 2016-18** approving the annual action plan. The motion was seconded by Council Member David Knecht.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Recess as Municipal Council

Motion: Council Member David Harding moved to recess as the Municipal Council and convene as the Redevelopment Agency of Provo at 6:45 p.m. The motion was seconded by Council Member George Stewart.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Redevelopment Agency of Provo

6. Resolution 2016-RDA-05-17-1 tentatively adopting a proposed budget for the Redevelopment Agency of Provo City Corporation in the amount of \$4,292,168 for the fiscal year beginning July 1, 2016 and ending June 30, 2017. (16-055)

Mr. Grabau stated this item was a resolution to tentatively adopt the proposed budget for the Redevelopment Agency as included as an appendix in the budget documents on the Finance website.

In response to a question from Mr. Harding, Mr. Grabau replied that the intent behind including both the original budget and the adjusted budget was to capture some of the intricacies in financial reporting that they were required to do. The change from the original budget to the adopted budget was due to carryovers in liability. A project would be allocated a certain amount in the previous fiscal year and in the new fiscal year they would only budget the marginal increase for that project. In the adjusted budget the project amount would be increased by the amount left over from the previous year. The reason there was a negative fund balance in RDA was because they had to spend the funds before they get reimbursed for them.

David Walter, RDA Director, stated they have to incur indebtedness in order to obtain tax increments. In the end, the actual budgets will be closer to the original budgets rather than the adjusted budget.

Motion: Board Member Kim Santiago moved to approve **Resolution 2016-RDA-05-17-1** as written. The motion was seconded by Council Member David Knecht.

Roll Call Vote: The motion was approved 7:0 with Board Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

7. Resolution 2016-RDA-05-17-2 of the Governing Board of the Redevelopment Agency of Provo City Corporation approving the signature of a Collateral Assignment of the Parking Lease to Key Bank, a Collateral Assignment of the Joint Development Agreement, and an accompanying Estoppel Certificate. (16-063)

Mr. Walter reported that the owners of the 63 East development were in the process of obtaining permanent financing through Key Bank for this project. Key Bank had requested that the agency sign an agreement assigning the collateral assignment of the parking lease in the Wells Fargo parking structure to Key Bank. The parking spaces would still belong to the city but the spaces would be available to Key Bank in the event that Forge Development (63 East) defaulted on the loan. Residents of 63 East would still have access to the parking.

As part of the process, the agency had a small equity position in the project and was eligible to receive some of the net income generated by the project over a period of years or take a \$150,000 payout once the project was refinanced. Staff felt it was appropriate to request the payout now so the funds would be available to reprogram into other projects.

Mr. Walter stated that 63 East was totally leased out with the bottom floor retail occupied by Good Time and Roll With It Ice Cream. All of the apartment rents were market rate.

Motion: Board Member David Knecht moved to approve **Resolution 2016-RDA-05-17-2** as written. The motion was seconded by Board Member Vernon K. Van Buren.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

8. **Resolution 2016-RDA-05-17-3 of the Governing Board of the Redevelopment Agency of Provo City Corporation consenting to the Collateral Assignment of Tax Increment Financing documents and authorizing the Chief Administrative Officer to sign the accompanying Estoppel Certificate. (16-066)**

Mr. Walter stated this resolution concerned the Provo Towne Centre Mall. Brixton Capital recently acquired the controlling interest in the mall so the tax increment financing needed to be assigned to Brixton. They were in the process of obtaining a loan from Bank of America to continue rehabilitation work on the mall. Bank of America had requested that the tax increment financing be assigned to them as collateral for the loan that Brixton was obtaining. If Brixton defaulted on their loan the tax increment would be remitted to Bank of America directly. This action would not extend the time frame for the tax increase or the amount of increment. The tax increment agreement terminated in April, 2023. Any amount left over would be forgiven at that point.

Motion: Board Member David Sewell moved to approve **Resolution 2016-RDA-05-17-3** of the governing board of the Redevelopment Agency of Provo City Corporation consenting to the collateral assignment of tax increment financing documents and authorizing the Chief Administrative Officer to sign the accompanying Estoppel Certificate. The motion was seconded by Board Member Kim Santiago.

Roll Call Vote: The motion was approved 7:0 with Board Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Adjourn Redevelopment Agency

Motion: Board Member Kim Santiago moved to adjourn as the Redevelopment Agency of Provo at 6:57 p.m. and convene as the Storm Water Special Service District. The motion was seconded by Board Member David Harding.

Roll Call Vote: The motion was approved 7:0 with Board Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Storm Water Special Service District

9. **Resolution 2016-SWSSD-08-17-1 tentatively adopting a proposed budget for the Provo City Storm Water Special Service District in the amount of \$4,196,475 for the fiscal year beginning July 1, 2016 and ending June 30, 2017. (16-056)**

Mr. Grabau stated the proposed budget was included as an appendix in the tentative Provo City budget documents.

Motion: Council Member George Stewart moved to approve **Resolution 2016-SWSSD-08-17-1** tentatively adopting a proposed budget for the Provo City Storm Water Special Service District in the amount of \$4,196,475 for the fiscal year beginning July 1, 2016 and ending June 30, 2017. The motion was seconded by Council Member Vernon K. Van Buren.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Adjourn Storm Water Special Service District

Motion: Council Member Vernon K. Van Buren moved to adjourn as the Storm Water Special Service District at 7:00 p.m. The motion was seconded by Council Member David Sewell.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Motion: Council Member David Harding moved to reconvene as the Municipal Council at 7:00 p.m. The motion was seconded by Council Member David Knecht.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Council Items and Reports

10. Ordinance 2016-11 amending Provo City Code Section 2.50.130 (Executive Director of the Municipal Council – Assignment of Duties) to clarify language regarding the duties of the Executive Director of the Municipal Council. (16-046)

Brian Jones, Council Attorney, presented. The amendment was requested by Mr. Knecht in order to update the duties of the Executive Director. The new duties (Paragraph O of the ordinance) included an annual review of the priorities and implementation strategies of the Provo City General Plan.

A general cleanup of the overall section was completed which removed duplicative language, consolidated some paragraphs about staff supervision, and other minor changes.

Motion: Council Member David Knecht moved to approve **Ordinance 2016-11** as written. The motion was seconded by Council Member David Harding.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

11. Ordinance 2016-12 amending the Consolidated Fee Schedule with regard to Community Development fees. (15-118)

Chair Santiago noted that last year the council created budget intent statements. One of those statements was to complete an evaluation of all the fees listed in the Consolidated Fee Schedule within three years. The city would strive to have each service paid for by the beneficiaries of the service (to the extent possible). The council had recently reviewed the Community Development fees and the proposal was in front of the council.

Chair Santiago stated the desire was to recover the full cost of what it cost the city to carry out the responsibilities but not to exceed what our sister city (Orem City) was doing.

Mr. Jones reported that the version before the council put the ordinance into effect on July 1, 2016.

Mr. Harding said that the council had studied this extensively and determined that the cost of providing those services exceeded the fees that were being charged. They looked at other cities, not just Orem. Provo City's fees were lower than average. It was difficult to raise fees but he felt the council had done their due diligence. The fees were reasonable and it was in the best interest of the city to set them as such.

Mr. Knecht stated that they were not charging as much as it cost to provide the services, even with this increase. The council chose not to charge 100 percent for the services. They wanted to charge what the services cost but they also needed to make them competitive with other communities.

Chair Santiago invited public comment. There was no response to the request.

Motion: Council Member George Stewart moved to approve **Ordinance 2016-12** amending the Consolidated Fee Schedule with regard to Community Development fees. The motion was seconded by Council Member David Knecht.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Chair Santiago stated she had neglected to mention one item during the Provo City budget discussion (Item No. 1). Part of the motion during the last meeting (May 3, 2016) was to refer the proposed budget to the council budget committee. There were two meetings held and the budget committee made a recommendation that she wanted to read into the minutes.

“The budget committee recommends that the council adopt the tentative budget with the caveat that the council look for reductions to expenses and subsidies that would alleviate the need for a property tax increase this year.”

Adjournment

Motion: Council Member George Stewart moved to adjourn the meeting at 7:11 p.m. The motion was seconded by Council Member Vernon K. Van Buren.

Roll Call Vote: The motion was approved 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.