

CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
June 21, 2016

3:00 P.M. WORK SESSION – PUBLIC SAFETY TRAINING ROOM

CONDUCTING Mayor Richard F. Brunst

ELECTED OFFICIALS Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Karl Hirst, Recreation Department Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Ryan Clark, Economic Development Division Manager; Brandon Nelson, Financial Division Manager Steven Downs, Assistant to the City Manager; Brandon Stocksdale, Long-range Planner; and Donna Weaver, City Recorder

INTRODUCTION – Playgrounds by Leathers

Mr. Downs introduced Marc Leathers of Playgrounds by Leathers who gave a history of his company. He then reviewed the process for the construction of the All Together Playground and preparation needed in advance of the event. The projected date for construction to begin was September 5, 2016, with work running 7 days and utilizing approximately 3,200 volunteers.

DISCUSSION – Design Standards and PD Zones

Mr. Bench said the discussion was about implementation of the design standards for the State Street Master plan that the City Council had approved earlier. The first step was the Center Street Node. He said the thought it would be key to the development of State Street. It would be different from what people were used to, and there would be some growing pains.

There would be five State Street districts:

- North Village (1600 North)
- Canyon Crossing (800 North)
- City Center (Center)
- Arts District (between 400 and 800 South)
- The Hub (between University Mall and 1600 South)

He reviewed the following urban design principles:

- Compact Development – to achieve the density and intensity of land uses needed to support future transit and create sustainable and active urban neighborhoods, urban districts should be compact and designed to intensify over time.

- Mixed-use Development – urban districts should offer a mix of diverse and complimentary high activity uses rather than segregating uses. Mixed land uses can be organized horizontally or vertically, with the goal of activists streetscapes require active uses, such as retail to be located at ground level along primary pedestrian frontages.
- Street & Blocks - a grid-based street network was a fundamental building block of an urban district and allows for a diversity of different street types and flexible lot patterns. Blocks should be designed at the human scale with monks that accommodate pedestrian travel.
- Streets & Intersections - streets in urban districts were multifunctional spaces, designed for the safe, convenient, and efficient mobility all users, pedestrians, bicyclists, motorists, and transit riders. Hierarchy of street intersection types should allow for consistent travel speeds and minimize conflicts between travel modes.
- Pedestrian Friendliness - to make any interconnect network of streets and sidewalks work in an urban district, careful consideration of the interface was needed between the automobile and the pedestrian.
- Building Orientation and Frontages - buildings in urban districts should address the street and the pedestrian, with active uses located along the sidewalk and not behind parking lots or blank walls.
- Scale & Density - the densities needed in an urban district to support transit use and an active and diverse street life can be accommodated through a variety of building types and scales. Mid-rise buildings in particular were well suited and often built a similar floor area ratios as towers.
- Open Spaces & Civic Uses - urban districts were as much about building community as it was about supporting transportation choice and transit use. A diversity of public places including open spaces and civic uses encourages social interaction and community participation.
- Architectural Variety - high quality architectural design, carefully calibrated to reflect and respond to local character, was an important place making element of an urban district and an antidote to the repetitive architecture of suburbs urban architecture should incorporate visual variation, durable building materials, and design detail.
- Parking - parking should be incorporated into the design of buildings were located behind, or to the side of buildings. They should be prevented from dominating the streetscape or becoming a buffer between pedestrians and the street front.

Other Considerations

- Landscaping Standards
- Solid Waste Containers - not in a front or side yard adjacent to a street
- Architecture - design elements, finishing materials, for-sided architecture
- Separated Sidewalks
- Utility Screening – Utility boxes and mechanical equipment not located in any setback and screened
- Signage

Mr. Bench noted that only thirty percent of State Street was being utilized for buildings. The rest was taken up by landscaping and asphalt. For the nodes, they wanted to have larger developments on the corners and then have less intense uses farther along. Currently, there was not much nightlife on State Street, and it was not very dynamic. They wanted to address

walkability and access. An increased number of streets provided additional access, but many of those streets—while used by the public—would be privately owned.

Brandon Stocksdale said that density in context was an important distinction to simple density. Tapering back from the dense corners as they come closer to the neighborhoods would make them more livable.

Mr. Bench said their goal was to encourage property owners to design areas where people wanted to linger. Having the buildings up against the curb made it more inviting to walk and would also lessen the number of pole signs required since the buildings would be the signage. Staff also wanted to encourage four-sided construction that would not result in blank walls.

Mr. Bell said it would take a while to do the nodes designs. Having the design standards in place while the nodes were being designed would help for future applications that might come in before the process was finished.

DISCUSSION – FY 2017 City Council Priorities

Mr. Davidson updated the Council on the steps for future planning for the current City Center.

He then reviewed the status of UTOPIA, noting that approximately 40 percent of parcels in Orem were able to connect to UTOPIA.

Utopia Update

Utopia / UIA by the Numbers

- Total active UTOPIA/UIA system-wide connections: 13,439
 - Orem active parcel connections: 3,105 (24.32% take rate)
 - Orem parcels that can connect if inquired about services: 12,767 (green)
 - Total installed : 5,061
 - Total active: 3,105
 - Total disconnected: 1,956 (784 business and 1,172 residential)
 - Installs remaining: 7,706
 - Orem parcels that could connect with additional “drop level” construction, engineering, cabinet electronics, etc. : 2,009 (yellow)
 - Orem parcels that cannot connect: 16,017 (red)
- Orem Connection Percentages (total of 30,793 parcels)
 - Percent of Orem that can connect: 41.46%
 - Percent of Orem that can connect with additional construction: 6.52%
 - Percent of Orem that cannot connect: 52.02%
- FY 2016-2017 City of Orem annual UTOPIA debt obligation: \$3,046,100 (cost per parcel/year = \$98.92)

Utopia / UIA Update

- Added over 7,000 subscribers since 2011 (Centerville build, sweet spotP lan – UIA bonding)
- Combined network recurring revenues of nearly \$1.1 million per month (continues to grow at \$10-14k/month)
- No additional OPEX assessments required (outstanding Orem OPEX payment of \$293k). OPEX breakeven was achieved prior to Phase III bond funding

- UIA Phase III funding, \$26.1 million + RUS settlement funds, \$10 million = \$36.1 million
 - \$20.6 million - new construction (sweet spot/ROI strategy)
 - \$5.5 million - new installs
 - \$1.45 million – marketing
 - \$7.3 million – electronic upgrades
 - \$1.25 million – other (bond issuance costs, cap. interest, etc.)

Macquarie and OPEX (Operating Expenses) History

- Macquarie Partnership – deliverables received by UTOPIA
 - Orem’s share of \$480,000 Milestone One = \$106,912 (22.27% of total)
 - Payment requested
 - Milestone Two - \$273,056
- OPEX History – City of Orem Payments (50% current deployed assets, 50% pledge)
 - FY 2009-2010 = \$65,095 (RUS lawsuit legal fees)
 - FY 2010-2011 = \$68,585 (annual dues)
 - FY 2011-2012 = \$0
 - FY 2012-2013 = \$268,605 (working capital assessment)
 - FY 2013-2014 = \$426,135 (working capital assessment)
 - FY 2014-2015 = \$46,586 (RUS lawsuit legal fees reimbursed - \$65,095)
 - Outstanding Balance = \$293,500

Alignment of Priorities – Orem vs UTOPIA

- UTOPIA – sweet spot ROI, business customers, greenfield development
- Orem – residential customers, new footprints/neighborhoods in all areas of the city, subscriber growth in areas that already have access to the network.

Options Under Discussion

- Maintain UTOPIA status quo. Incremental growth. Possible network buildout in 7-10 years. Pay-as-you-go option
- System revenue bonding. Use incremental growth of UIA revenues to bond in expanding network.
- Special assessment area (SAA) bonding. Voluntary assessment bonds. Mirrors Google “fiberhood” model
- Utility fee bonding. Growth of network tied to voluntary or mandatory customer utility fee(s). May require legislative changes. Could involve conversion of an existing city fee
- City issued bonding. Pledge available franchise and/or sales taxes to buildout entire city
- City excess revenue expansion. Set aside available city resources to incrementally grow network
- General obligation bond. Ubiquitous build backed by dedicated property tax
- Hybrid option. May involve a mix of noted alternatives

Bottom Line

- All noted options require investment in capital – there were no “no cost” alternatives.
- Member city parity was a component of all UTOPIA decision making
- UTOPIA was open to fee discussions that allow Orem to benefit from customer connection fees (infrastructure) and transport fees (O & M costs and revenue sharing)

Key Questions to Consider

- Can the network footprint expand while at the same time adding new customers in existing service areas without additional cost and/or debt?

- Other core issues . . .
 1. Where do you find yourself on the UTOPIA spectrum? Focus on growing subscribers versus growing the network’s service footprint?
 2. What was the city council’s opinion related to use of existing revenues, utility fees and additional debt in growing the network?
 3. Was ubiquitous (full) buildout of the network critical to UTOPIA’s success in Orem? How do you define buildout? Was it full deployment of infrastructure to the side of every home or access to the network by way of fiber that passes by each home?

Subsequent discussion between the Council and staff included:

- UTOPIA cities that were already built out had no motivation to expand the network.
- Some of the issues were things the City could address while others were not.
- Ultimately, everyone in Orem was paying for the system but only a few were benefiting from it.
- Orem should pay the OPEX amount, since not paying it had caused Orem to lose credibility.
- Orem should only pay the OPEX amount if the City could get something in writing from UTOPIA expressing its willingness to work with Orem.
- UTOPIA charges a substantially higher amount to install than competitors did.

Mr. Lentz said there appeared to be a disconnect between the number of addresses UTOPIA identified in Orem versus the number of address the City had. He said that, within that range, he had a model that would allow the City to pay less than it was currently paying, provide universal access—not connect every home but pass every curb. It would free up General Fund revenues to be used for other projects. It would also be cheaper for residents to become and stay customers of UTOPIA. He asked, if he could present something like that to the Council, they thought it would be worth his time to pursue it. The consensus of the Council was for him to proceed.

Mr. Davidson reminded the council of his questions and asked them to consider their answers to aid in the discussion.

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

CONDUCTING	Mayor Richard F. Brunst
ELECTED OFFICIALS	Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Chris Tschirki, Public Works Director; Karl Hirst, Recreation Department Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Jason

Bench, Planning Division Manager; Brandon Nelson, Financial Division Manager; Steven Downs, Assistant to the City Manager; and Donna Weaver, City Recorder

Preview Upcoming Agenda Items

Staff presented a preview of upcoming agenda items.

Agenda Review

The City Council and staff reviewed the items on the agenda.

City Council New Business

There was no City Council new business.

The Council adjourned at 5:52 p.m. to the City Council Chambers for the regular meeting.

6:00 P.M. REGULAR SESSION – COUNCIL CHAMBERS

CONDUCTING

Mayor Richard F. Brunst

ELECTED OFFICIALS

Councilmembers Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Greg Stephens, City Attorney; Richard Manning, Administrative Services Director; Bill Bell, Development Services Director; Karl Hirst, Recreation Director; Chris Tschirki, Public Works Director; Scott Gurney, Fire Department Director; Gary Giles, Police Department Director; Charlene Crozier, Library Director; Jason Bench, Planning Division Manager; Neal Winterton, Water Division Manager; Steven Downs, Assistant to the City Manager; Pete Wolfley, Communications Specialist; and Donna Weaver, City Recorder

INVOCATION /

INSPIRATIONAL THOUGHT

Debra Stevenson

PLEDGE OF ALLEGIANCE

Mike Christensen

APPROVAL OF MINUTES

There were no minutes ready for approval.

MAYOR’S REPORT/ITEMS REFERRED BY COUNCIL

Upcoming Events

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

Appointments to Boards and Commissions

There were no appointments to boards and commissions.

MAYOR PRO TEM– July 1 – December 31, 2016

Mayor Brunst **moved** to appoint Mr. Sumner to serve as Mayor Pro Tem. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

PROCLAMATION – Declaration of Independence Week

Mayor Brunst read the proclamation designating July 3-9, 2016 as Declaration of Independence Week. Mr. Seastrand **moved** to approve the proclamation as read by Mayor Brunst. Mr. Macdonald **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

REPORT – Sleepy Ridge Golf Course

Golden Holt was not present to give the report.

REPORT – Orem Community Hospital Garden

Ms. Salazar provided an update on the status of the Orem Community Hospital Garden. She reviewed some of the things they did last year, including teaching. She said reports from participants indicated that they ate more fruits and vegetables, got more physical exercise, and felt more a part of the community. Another benefit was the lesser amount of water used since the garden plots were watered with a drip system. She noted that it was so successful they expanded the number of plots for 2016 and showed a video in support of it.

PERSONAL APPEARANCES

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

Mike Christiansen said he wanted to express concerns about the way the Summerfest entertainment had been handled. He outlined several proposed solutions, as they were relayed to him by a Summerfest organizer. He stated that he looked forward to seeing those solutions implemented in the future.

CONSENT ITEMS

ORDINANCE – Amending Chapter 7 of the Orem City Code Pertaining to Building, Plumbing, Mechanical, Electrical, Fire and Abatement Codes

Mr. Seastrand **moved**, by ordinance, to amend Chapter 7 of the Orem City Code Pertaining to Building, Plumbing, Mechanical, Electrical, Fire and Abatement Codes. Mrs. Lauret **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

SCHEDULED ITEMS

6:00 P.M. PUBLIC HEARING – PRD Development Standards

ORDINANCE – Amending Article 22-7 of the Orem City Code pertaining to Planned Residential Development (PRD) development standards

Mr. Bench presented a request to amend Article 22-7 of the Orem City Code pertaining to Planned Residential Development (PRD) development standards. He indicated that the applicant would like to construct a ten-unit PRD on property at 925 East 1400 South. To construct the plan he desired, the applicant would need to amend the PRD standards pertaining to maximum building height, landscaping percentage, maximum second floor square footage and the minimum roof pitch requirement.

Currently, the maximum structure height in the PRD zone was twenty-seven feet above grade. The applicant proposed to increase the maximum height to thirty feet. By comparison, the maximum building height in a single-family residential zone was thirty-five feet.

The applicant also proposed to reduce the required landscaping from fifty percent of the net area (less public and private streets) to forty percent. Reduction of the landscaping percentage may allow greater design flexibility for PRD developments. High density PRDs located between I-15 and Sandhill Road or between 1200 West and I-15 already had a forty percent landscaping requirement.

The applicant would next like to increase the maximum floor area of the second story. The PRD ordinance currently limited the size of a second story to no more than sixty percent of the area of the main floor square footage. For example, if the main floor had 1,000 square feet exclusive of the garage, the second story would be limited to 600 square feet. The purpose of the limitation had been to encourage PRDs to be occupied by retired individuals who generally generate less traffic than younger families. However, the effect of the limitation had been to discourage the construction of units with a second story. None of the nine PRDs that could have been constructed with a second story had been built. Therefore, experience seemed to show that the current requirements made construction of a second story impractical. The applicant proposed to increase the allowable second story floor area to seventy-five percent of the first floor area.

The applicant lastly proposes to eliminate the current requirement that roof pitches be constructed with a minimum five feet of rise to twelve feet of run (5/12). Instead, the applicant proposed to add a requirement that the architecture and design of all buildings in a PRD, including roof elevations, substantially conform to the architectural renderings included as part of the approved concept plan. That would allow the City Council to review building elevations and roof pitches at the time it considers a concept plan in connection with a request to rezone property to the PRD zone. If the Council finds that the roof pitches in a given concept plan were aesthetically pleasing and compatible with surrounding areas, it can approve them even if the roof pitches were less than 5/12. Conversely, if the Council finds that proposed building elevations, including roof pitches, were aesthetically unappealing or incompatible with surrounding uses, the Council can deny the request for rezone to the PRD zone.

In addition to the changes proposed by Mr. Hunter, the Department of Development Services also requests that the City Council amend Article 22-7 to allow private drives in a PRD in certain

additional situations. In January, 2016, the PRD ordinance was amended to require that streets in a PRD be public and that private streets be allowed only where they access four or fewer units.

Soon after the text was approved, Mr. Hunter approached the City with a PRD concept for the property at 925 East 1400 South. The property was large enough for at least ten units, but the layout of the property was not well-situated for a public cul-de-sac. Because of the limitation that a private street could access no more than four units, Mr. Hunter submitted a design that included three separate private driveways that came off 1400 South to provide access to the ten proposed units. Although the design met the requirements of the PRD ordinance, it was awkward, inefficient and unattractive. It seemed obvious that the best way to provide access and traffic circulation was with a circular private drive that would provide access to all ten units.

In order to deal with the situation and other unforeseen situations in the future, staff now proposes that the City Council amend the PRD ordinance to prohibit private drives from accessing more than four units when the private street was a dead-end. Private drives that were not dead-ends may be approved by the Council if development with a public street was not otherwise practical. Public streets would continue to be required where reasonably feasible, but with that change the Council would have greater flexibility to approve PRDs where a public street does not work well.

The proposed changes:

22-7-12

...

B. Height.

1. General height requirement. Except as provided in subsection (2) below, structures shall be limited to one story above grade. However, a primary structure may have a second story only if (1) the structure does not have a basement and (2) the area of the second story that has headroom of five feet or more is limited to ~~sixty-seventy-five~~ percent (75%) of the first story floor area. No part of a structure shall exceed a maximum height of ~~twenty-seventy~~ feet (2730') above grade.

...

G. Landscaping.

2. At least ~~fifty-forty~~ percent (5040%) of the net acreage (area of the development less public and private streets) of the entire development shall remain permanently landscaped. ~~However, for a PRD located north of Center Street and between Interstate 15 and 1200 West, and for PRDs located between 1660 South and 1746 South between Sandhill Road and Interstate 15, the minimum landscaped area shall be forty percent (40%) of the net acreage of the entire development.~~

...

L. Streets.

5. A private drive shall be allowed only if the following conditions are met:
a. Development of a part of the PRD with a public street is not practicable.

- b. The private drive will not extend to or provide service to another property or parcel not included in the PRD unless there is no reasonable way to access existing parcels contiguous to a public street.
- c. The private drive will not provide access or travel between, or otherwise connect with two (2) or more public streets unless the street or drive is designed to discourage through traffic.
- d. The private drive is designed by a qualified civil engineer and constructed to City standards and specifications.
- e. The private drive is designated on the final plat as a perpetual right-of-way and public utility easement.
- f. All access points from public streets have "Private Drive" signs installed.
- g. The private drive has a minimum width of twenty-four feet (24') and a maximum width of thirty-six feet (36') and is paved with either concrete or asphalt.
- h. ~~No The~~ private drive or portion of a private drive that has only one exit (a dead-end) ~~does not~~ accesses or services more than four units.

...

R. Roof Pitch Architectural Plan. ~~All structures shall have a minimum roof pitch of five rise to twelve run. The architecture and design of all buildings in a PRD, including roof elevations, shall substantially conform to the architectural renderings included as part of the approved concept plan.~~

The Planning Commission recommends the City Council amend Article 22-7 of the Orem City Code pertaining to development standards in the Planned Residential (PRD) zone. Staff supported the recommendation of the Planning Commission.

At the request of Mayor Brunst, the applicant, Dave Hunter, reviewed his vision for the project. Mr. Hunter said that their design, which included large windows, was intended to take advantage of the great view on the property. He noted that the property was where the old RLDS church site was located. If they were to keep the original width of the room according to the ordinance, they would have had to install fake walls to limit the attic space. Mr. Hunter stated that he thought it was illogical. He explained that it was his assumption that the roof pitch was an aesthetic requirement. They would be doing something that was more contemporary and modern, and doing a pitched roof would ruin their desired aesthetic. Mr. Hunter explained that regarding roof height, structurally the inhabitable space would be below twenty-seven feet; however, there were architectural elements that would go above the twenty-seven foot space. From an architectural standpoint, Mr. Hunter stated that they feel their proposal would be a better looking project. He noted that a single family home in Orem can be as high as thirty-five feet. After discussing the project with staff, it was agreed that the proposal was better suited for the property.

Mr. Lentz asked if there would be problems with snow and ice during the winter with a shallower roof pitch. Mr. Bench stated that the applicant would still need to meet the requirements for building codes pertaining to snow load. Mr. Hunter added that they would also have snow spikes on the end of the roofs.

In response to a question from Mr. Macdonald, Mr. Bench stated that the property was an acre and a half in size. Mr. Macdonald asked if any additional housing units would be going on the property because of the change. Mr. Bench answered that the density would be less than seven units per acre.

Mr. Seastrand said that the changes would not only apply to the proposed project, but to all future projects as well. He commented that part of the challenge in considering the project was that it may open up uncertainties on future projects. He stated that as the Council considered the proposal, they needed to consider the broader implications as well.

Mr. Bench explained that staff previously addressed development issues with PD zones. He explained that these zones have functioned as an open forum, in which the applicant can propose specific elements to their development. After proposals were reviewed by the Planning Commission, the Planning Commission then made recommendations to the Council for final approval.

Mr. Seastrand expressed concerns that some of the proposed changes would be more to the benefit of the developer, rather than having a project that coexists with the surrounding neighborhoods. Mr. Bench stated that there would be checks and balances in the ordinance, and the requirement of a maximum of seven units per acre would be maintained. He explained that because of the different perimeters of the ordinance, the City had not had a PRD proposal come forward that was even close to exceeding the seven units per acre requirement. These changes would simply give the developer a little bit more flexibility.

Mayor Brunst opened the public hearing. No one came forward to speak, so he closed the public hearing.

It was noted that these units would be sold and owner occupied.

Mr. Macdonald **moved**, by ordinance, to amend Article 22-7 of the Orem City Code pertaining to Planned Residential Development (PRD) development standards. Mayor Brunst **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

6:00 P.M. PUBLIC HEARING – Rezone – 925 East 1400 South – Dave Hunter
ORDINANCE – Amending Article 22-5-3(A) and the zoning map of the City of Orem by changing the zone at 925 East 1400 South from R7.5 to Planned Residential Development (PRD) and amending Appendix “RR” by adding the concept plan and building elevations of the Hunter PRD

Mr. Bench reviewed a request to amend Article 22-5-3(A) and the zoning map of the City of Orem by changing the zone at 925 East 1400 South from R7.5 to Planned Residential Development (PRD) and amend Appendix “RR” by adding the concept plan and building elevations of the Hunter PRD.

The applicant would like to construct a ten-unit PRD on property at 925 East 1400 South. A church was formerly located on the property but it had been demolished and the property was now vacant.

The subject property was adjacent to single-family homes in the R7.5 zone and an office development in the C1 zone. The applicant initially considered the possibility of constructing an office building on the property and contacted the owner of the office development to the west to see if access could be obtained through that property. However, it appeared the applicant was not able to obtain consent from the property owner to the west and so the idea of an office building was abandoned.

The applicant now requested that the City Council rezone the subject property to the PRD zone. The applicant proposes ten units configured as two fourplexes and one duplex with a density of 6.6 units per acre. The PRD zone permits a maximum density of seven units per acre. If the property were developed under the existing R7.5 zone, the applicant could likely develop four single-family homes.

To utilize the unique characteristics of the property, the applicant designed a product that slopes up from the garage side to the rear of each unit. That design created two story units that would have a full view to the northeast of Provo Canyon and Mount Timpanogos.

The proposed elevations consist of stucco and stone. The garage elevation was thirteen feet high while the rear elevation was 28.5 feet. The upper floor contains 852 square feet and a 201 square foot deck. The main level was 1,266 square feet with a 522 square foot garage. Total habitable space was 2,118 square feet. Basements were not proposed, as the current PRD standards do not permit units with two stories above grade to have a basement.

The design of the units proposed in the concept plan would only be possible if the City Council approves the amendments to the PRD zone considered in a previous item that increase the allowable height to thirty feet, increase the area of the second story and allow the units to be accessed by a private drive.

If approved by the City Council, the applicant's concept plan would be included as part of Appendix "RR." The applicant would then be required to construct the development in substantial conformance with the design and elevations shown in the concept plan.

A neighborhood meeting was held on March 8, 2016, with several neighbors expressing support of the request.

The Planning Commission recommended the City Council amend Article 22-5-3(A) and the zoning map of the City of Orem by changing the zone at 925 East 1400 South from R7.5 to Planned Residential Development (PRD) and amend Appendix "RR" by adding the concept plan and building elevations of the Hunter PRD. Staff supports the recommendation of the Planning Commission.

Mayor Brunst stated that these would be beautiful units for the area, and would enhance the community.

Mr. Seastrand inquired as to who owns the property between University Parkway and the Hillside. It was noted that UDOT owns the property in question, and that there was a slope easement in that location. Mr. Hunter noted that the units would cost in the mid \$200,000 range.

Mayor Brunst stated that UDOT had plans to widen University Parkway by adding a lane on each side. He asked if that proposal would take out part of the hill. Mr. Bench explained that it would take out a slight part of the hill; however, as part of the project, the developer would be landscaping a portion of the right-of-way.

Mr. Seastrand asked why the current zoning of R7.5 would not work or be an appropriate usage. Mr. Hunter said it was a unique piece of land because of the view. If they built single family homes, there would only be two or three view lots. If they were to construct attached units, legally they could do a denser project with the other zone. Mr. Hunter stated that he believes that proposal was the best use of the property.

Mayor Brunst opened the public hearing. No one came forward to speak, so he closed the public hearing.

Mayor Brunst **moved**, by ordinance, to amend Article 22-5-3(A) and the zoning map of the City of Orem by changing the zone at 925 East 1400 South from R7.5 to Planned Residential Development (PRD) and amending Appendix “RR” by adding the concept plan and building elevations of the Hunter PRD. Mr. Spencer **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

6:30 P.M. PUBLIC HEARING – Orem Natural Resources Stewardship Committee
ORDINANCE – Adopting Article 2-36 of the Orem City Code creating the Orem Natural Resources Stewardship Committee

Mr. Clark presented the Office of the City Manager’s recommendation that the City Council adopt Article 2-36 of the Orem City Code creating the Orem Natural Resources Stewardship Committee.

Orem resident, Sarah Bateman, stated that she participated in low-waste living and was active in public education regarding such matters. She had met with Mayor Brunst on multiple occasions in an effort to establish a natural resources stewardship committee in the City of Orem. Mayor Brunst had since instructed City staff to move forward with the process to establish a committee.

The creation of a Natural Resources Stewardship Committee had become rather common in the world of local government. More and more municipalities were learning of the importance to educate the public regarding natural resources stewardship matters, and to also participate in programs that reduce a municipality’s impact on the environment. An internet search of those types of committees would turn up numerous examples.

The focus of the Orem Natural Resources Committee would be centered primarily in education and enrichment. The following list contains ideas of what the committee could focus upon:

- Quick tip in the city newsletter.
- Monthly Facebook feature of a resident’s or a business’ “green” practices (similar to how the Beautification Commission highlights residents’ gardens).
- Information booth at Summerfest.
- Waste audit at fitness center—create short informational video about how the City plans to reduce waste and, consequently, save money.

- Maintain a page on the City’s website.
- Collaborate with Provo Mayor’s Sustainability Committee—to lead the county in clean-air efforts, etc.
- Collaborate with schools on no-idling zones to improve the air quality for children.
- Promote the LiVe Well Community Garden (at Orem Community Hospital), its educational outreach programs, and its vision for a future farmers market.
- Monthly classes at the library. Energy efficiency/stewardship series: DIY specialist, Questar rep, Rocky Mountain Power rep, low-waste living speaker, emergency preparedness, recycling, Public works, transfer station, solar energy presentation.
- Monthly classes at the library. Great Outdoors/Environmental issues series: Central Utah Water Conservancy, National Park ranger to talk about the NP system and its 100th birthday that year, gardening, hiking, trails, nature photography, library/city-sponsored hike up the canyon, outdoor authors/speakers, benefits of unplugging.
- Nature Day Camp (summers) at Storytelling Park—become a junior naturalist.
- Earth Hour & Earth Day celebrations/day of service—offer a viewing of “Planet Earth” at the library.
- Green Fair: local bicycle shops offering free diagnostics and basic maintenance workshops, Central Utah Water Conservancy, recycling/green waste sign-up station, learning stations offering free workshops on various green living practices, kids observation station—learn about nature, play games and do activities, food bank collection, recycle craft center, free tree give-away or other incentive gifts, gardening workshops, vendor booths from local businesses promoting “green” products or services.

Mr. Clark explained that the Orem Natural Resources Stewardship Committee would address environmental issues including natural resources protection, air quality, recycling, and community education. The focus of the committee would be centered primarily in education and enrichment. It would act in an advisory capacity to the City Council on local environmental matters, and would not be creating policy.

Several reasons why the Committee should be created were discussed. They were outlined as follows:

- It was the community’s duty to be stewards of the environment.
- Orem City had a clean air problem.
- Resources were limited.
- Community education.
- Improvements to City processes might be identified.
- Could help with business attraction.
- Within Utah County, Orem would be a leader and example to other cities to do likewise.

Mr. Clark stated that any additional education to the public could help contribute to less pollution during inversion season. The Committee’s activities for providing solutions were then reviewed, as outlined in the staff report (above).

According to the proposed ordinance, the Committee’s duties would include the following:

- Encourage a vision and goals to protect the City’s natural resources, which might include but were not limited to water, air, soil, and open space.

- Explore and advise the City Council and staff of recycling programs the City might utilize to assist with accomplishing the committee's vision and goals. It included engaging existing recycling businesses for education and training.
- Advise the City Council and staff of innovative measures to protect the City's natural resources and suggest feasible policies, procedures, and/or projects that would have public support.
- Review and advise the City Council on sustainability, recycling, and natural resources policies, procedures, and/or projects brought to the Committee by City appointed staff.
- Work with other citizens' commissions and committees, including the Transportation Advisory Commission, Public Works Advisory Commission, and Planning Commission as needed.
- Work toward the continuing education of citizens regarding sustainability, recycling, and natural resource protection issues in our community. That included developing strategies to increase resident participation in existing recycling programs.
- Publicize and encourage citizen involvement in projects.
- Participate on the Utah Valley Clean Air Task Force as desired.
- Attend the Recycling Coalition of Utah board meetings in place of the City staff representative on an as needed basis.

Mr. Clark explained that the Committee would be comprised of five members, who would be appointed by the Mayor with consent of the City Council. The initial terms of office would be staggered; three members would serve for three years, whereas two members would serve for two years. Two consecutive terms would be allowed. The Committee would meet on an as needed basis determined by the Committee members. A member of the Planning Commission would be assigned to offer support, and staff would schedule meetings and take minutes. Various advantages to organizing the Committee were then discussed.

Mr. Clark stated that the Planning Commission came up with one disadvantage to organizing the Committee, and he shared the following direct quote:

“[The Planning Commission] Recommend[s] the City Council further study the issue and try and envision the long-term financial costs and potential regulation that could come from this commission.”

Mr. Clark stated that the Planning Commission was worried that that would turn into a bigger animal that would require additional fiscal resources as they move forward. Mr. Clark reiterated that the Orem Natural Resources Stewardship Committee would not be in charge of creating policies; rather, those responsibilities would rest with the City Council.

Mrs. Lauret said that she was born and raised on that philosophy, and she commended the efforts of those who were organizing the Committee. She asked if they had any ideas for other members to join the Committee, and what their areas of expertise would be. Ms. Bateman stated that her area of expertise was low-waste living, and that she had spoken to some people whose interests were energy efficiency, food production, and grant writing.

Mr. Lentz said that some businesses failed because they invested in projects that had the shortest returns rather than the long-term vision. He said that he believed the long-term benefits to moving forward with that committee would be worth the investment.

Mayor Brunst said that when he was returning home from a conference last week in Austin, Texas, he had the thought that the airline was not recycling the plastic cup that he used. He calculated that there were approximately four million drink cups used every day by airlines throughout the United States, and he wondered how many products could have been made with that amount of plastic, had it been recycled. He expressed appreciation for the efforts being made.

Mayor Brunst opened the public hearing.

Rebecca Black said that as a regular citizen she did not know much about recycling. As she had learned more about it, she found it heartening to see an increase in recycling efforts in Orem. She said she looked forward to learning more from the Orem Natural Resources Stewardship Committee.

Mayor Brunst closed the public hearing.

Mrs. Lauret **moved**, by ordinance, to adopt Article 2-36 of the Orem City Code creating the Orem Natural Resources Stewardship Committee. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

Ms. Bateman thanked the Council, noting that that had been six years in the making.

6:30 P.M. PUBLIC HEARING – Budget Amendment
ORDINANCE – Amending the Current Fiscal Year 2015-2016 Budget

Mr. Manning and Mr. Nelson presented the City Manager's recommendation that the City Council hold a public hearing to discuss amending the current Fiscal Year 2015-2016 Budget and, by ordinance, amend Fiscal Year 2015-2016 Budget.

Mr. Nelson said that the Fiscal Year 2015-2016 City of Orem budget had had many adjustments that have occurred throughout the year. He noted that amendments were reviewed and approved by the Council quarterly. Adjustments for that quarter included grants received from Federal, State, and other governmental or private entities/organizations, and most of them were reimbursements. Additional funds were received for the t-ball and coach pitch programs due to increased participation. Increased participation also generated need for some additional expenditures related to supplies for the program.

Mr. Nelson explained that one amendment from that quarter was a final disbursement of escrow funds related to the Canyon River SID. The budget also reflects an appropriation of reserves in the General Fund; these reserves have been transferred to the Capital Projects Fund in order to meet State legal compliance requirements regarding maximum General Fund balance. Lastly, several miscellaneous technical corrections or minor budget adjustments were made.

Mr. Lentz asked about the funding for the All-Together Playground. Mr. Nelson said a large portion of those funds were what the County had committed. The City was anticipating using all of those funds and planning accordingly; otherwise, no adjustment would be needed to account for any kind of variance.

Mr. Macdonald asked about percentage differences. Mr. Nelson explained that the formula was calculated as the total revenues minus transfers (which were a huge component of the General Fund revenues). Twenty-five percent of that amount was in relation to the three components of the fund balance: committed, assigned and unassigned. Mr. Macdonald asked Mr. Nelson if they could review the formula in greater detail sometime, and Mr. Nelson answered in the affirmative.

Mrs. Lauret said it was her understanding that a lot of the revenue increases were due to onetime monies, not ongoing revenue. Mr. Nelson answered affirmatively, noting that the majority of excess funds were related to building permits and sales tax. In both cases, revenues exceeded substantially; however, budget amendments were not done to increase the budget to that level.

Mayor Brunst opened the public hearing. No one came forward, so he closed the public hearing.

Mayor Brunst **moved**, by ordinance, to amend the Current Fiscal Year 2015-2016 Budget. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

RESOLUTION – Approving a utility fence modification for Rocky Mountain Power at 660 South Geneva Road in the R20 zone

Mr. Bench presented Kathleen Hoffman's request that the City approve a utility fence modification for Rocky Mountain Power at 660 South Geneva Road in the R20 zone.

Orem City Code Section 22-6-10(F) generally requires an eight foot masonry fence to be constructed around the entire perimeter of a lot on which a utility substation was located. However, the City Council recently amended Section 22-6-10(F) to allow the Council to grant a fence modification for utility substations located on a parcel of five acres or larger.

Under the amended Section 22-6-10(F), the City Council may grant a modification to allow a fence along the perimeter of just the utility substation facility itself and not around the entire parcel if it finds that such a modification would still provide an adequate buffer to neighboring properties.

The relevant portion of Section 22-6-10(F):

- The City Council may approve a modification to the wall requirement to allow the wall to enclose only the immediate utility structure and support facility area if the parcel was at least five (5) acres in size, and the Council finds that limiting the wall enclosure to the immediate utility structure and support facility area would provide an adequate buffer to neighboring properties.

- The wall shall be set back at least 20 feet from all streets and shall not be located in a public utility easement unless approved by each utility company in accordance with Section 22-6-8(D) (1)(d).

Without the fence modification, the applicant would be required to install 2,000 feet of masonry fencing along the perimeter of the parcel. If the modification was granted, the amount of fencing required would be reduced to approximately 800 lineal feet. The area of the actual substation on the property was about 42,326 square feet while the entire lot consists of 5.57 acres (242,629 square feet).

Staff recommended the City Council approve a fence modification at 660 South Geneva Road in the R20 zone pursuant to Section 22-6-10(F) of the Orem City Code.

Mr. Seastrand asked about the long-term future of the rest of the property surrounding the area. Don Watts said that, while he did not know at the moment, if the area continued to grow he anticipated that expansion would occur. Mr. Seastrand asked if they would need to maintain a certain element of safety to allow for expansion. Mr. Watts answered in the affirmative, and stated that they would prefer a chain-link fence because it would allow them to see inside. He stated that safety was one of their primary concerns, and that they would like space as far away from other developments as possible. Furthermore, they did not want any intruders, namely cattle, to get inside the substation. Mr. Seastrand asked if they monitored inside the substation, and Mr. Watts said they did.

Mr. Macdonald asked if the existing chain link fence was a violation of current ordinances, or if it was compliant with the ordinance at the time it was installed. Mr. Bench said it was compliant at the time of installation; however, because they were expanding, they needed to meet the current standard.

Mr. Seastrand asked if that modification would apply to other properties in the City. Mr. Bench stated that it would be specific to that property.

Mr. Lentz **moved**, by resolution, to approve a utility fence modification for Rocky Mountain Power at 660 South Geneva Road in the R20 zone. Mayor Brunst **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner. The motion **passed unanimously**.

RESOLUTION – Authorizing the issuance and sale of not more than \$5,500,000 aggregate principal amount of water and storm sewer revenue refunding bonds, Series 2016; the bonds may shall mature in 14 years or less, the maximum interest rate which the bonds may bear is 4.50 percent per annum, and 97 percent is the maximum discount from Par at which the bonds may be sold; delegating to certain officers of the City the authority to approve the final terms and provisions of the bonds within the parameters set forth herein; providing for the publication of a notice of bonds to be issued providing for the running of a contest period; authorizing and approving the execution by the City of a supplemental indenture of trust, a bond purchase agreement, an escrow agreement and other documents required in connection therewith; approving a preliminary official statement and an official statement;

authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution; and all related matters

Mr. Manning presented a request to approve the parameter resolution to authorize the issuance and sale of not more than \$5,500,000 aggregate principal amount of its Water and Storm Sewer Revenue bonds and related matters.

With the low existing interest rates, the City had the opportunity to refund an existing Water and Storm Water Revenue bond with a current average interest rate of 5.098 percent. The City anticipates being able to secure an average interest rate of 1.955 percent. The bonds would mature in 2026. The overall savings the City expects to receive was approximately \$1,016,000.

The resolution approves the parameters that the City Council may find acceptable for such a refunding, i.e.:

1. The aggregate amount for the new bond issue may not exceed \$5,500,000.
2. The interest rate may not exceed 4.5 percent.
3. The new issuance must mature in not more than fourteen years from their date or dates.
4. The bond issue must be sold at a price not less than ninety-seven percent of the total principal amount necessary to (i) refund the portion of the original bonds eventually identified to be refunded and (ii) pay the cost of issuance for the new bonds.

The resolution also clarified other legal provisions such as the contest period, publication requirement, the handling of the Official Statement and other pertinent matters.

Mayor Brunst asked when the bonds would be placed on the market. Mark Edminster, with Lewis Young Robertson & Burningham (LYRB), said that they would be put on the market by mid-August at the earliest. He explained that once the protest period was past, the City can decide to move ahead—or not, depending upon the market. Mayor Brunst commented that the City recently refinanced another bond and saved money; it appears to be a good time to refinance.

Mr. Manning said the parameters resolution would establish the rules for selling the bonds. The City's financial advisor would determine when the best time was to sell based on the market.

Mr. Macdonald asked that if LYRB believed the City would come in at two percent, why the Council would give approval of up to 4.5 percent. He said that was beyond his comfort level, and suggested they set a maximum of three percent instead.

Mr. Edminster said the reason why the resolution proposed a maximum of 4.5 percent was because it was the maximum amount for which any one single bond could have the "coupon rate." Mr. Edminster explained bond structures, and stated that the coupon rate could vary from year to year. Right now, the coupon rates were between two to four percent. Setting the maximum rate at 4.5 percent would give them the flexibility in structuring the bonds to meet individual requirements, as long as it still saved the City money.

Mr. Macdonald asked if it would be possible to state in the ordinance that the overall aggregate cannot exceed three percent. Mr. Edminster said that while it was possible, if they ended up violating any of the perimeters set in the ordinance, they would have to start the process over.

Furthermore, there was a thirty-day contestability period. State law required that perimeters be set, and specifically called for the max coupon. It would be up to the Council to determine whether or not a particular bond structure met their target savings.

Mayor Brunst said he did not think they would move ahead on a refinance unless they could save the money.

Mr. Seastrand said that it sounded like the amount money saved could vary. Mr. Edminster stated that they would not know how much the City would save until they closed on the bonds. The savings could be as high as \$1.2 million.

Mr. Lentz **moved**, by resolution, to authorize the issuance and sale of not more than \$5,500,000 aggregate principal amount of water and storm sewer revenue refunding bonds, Series 2016; the bonds may shall mature in fourteen years or less, the maximum interest rate which the bonds may bear was 4.50 percent per annum, and ninety-seven percent was the maximum discount from Par at which the bonds may be sold; delegating to certain officers of the City the authority to approve the final terms and provisions of the bonds within the parameters set forth herein; providing for the publication of a notice of bonds to be issued providing for the running of a contest period; authorizing and approving the execution by the City of a supplemental indenture of trust, a bond purchase agreement, an escrow agreement and other documents required in connection therewith; approving a preliminary official statement and an official statement; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution; and all related matters. Mayor Brunst **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Sam Lentz, Mark Seastrand, David Spencer, and Brent Sumner. Those voting nay: Mr. Macdonald. The motion **passed**, 6/1.

COMMUNICATION ITEMS

Mayor Brunst noted that Miss Orem came in as a first runner up to Miss Utah.

The monthly financial summary for May 2016 was provided to the Council.

CITY MANAGER INFORMATION ITEMS

There were no City Manager information items.

ADJOURN TO CLOSED-DOOR MEETING – Room 107 for City Manager Evaluation and Discussion of Pending or Reasonably Eminent Litigation

Mayor Brunst **moved** to adjourn to a closed-door meeting held in Room 107 for City Manager Evaluation and Discussion of Pending Litigation. Mr. Seastrand **seconded** the motion. Those voting aye: Richard F. Brunst, Debby Lauret, Tom Macdonald, Mark Seastrand, David Spencer, Brent Sumner. The motion **passed unanimously**.

The meeting adjourned at 7:31 p.m.

CLOSED-DOOR MEETING

Pursuant to Section 52-4-2015(1)(a) and Section 52-4-205(1)(c) of the Utah State Code Annotated, the City Council held a closed-door meeting at 7:37 p.m. in Room 107 for the discussion of the character, professional competence, or physical or mental health of an individual and discussion of reasonably eminent litigation. Those in attendance of the closed-door meeting were: Mayor Richard F. Brunst; Councilmembers Debby Lauret, Tom Macdonald, Mark Seastrand, David Spencer, and Brent Sumner; Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager, Greg Stephens, City Attorney, and Donna R. Weaver, City Recorder. Mr. Bybee, Mr. Stephens, and Mrs. Weaver left the meeting at 8:35 p.m.

The meeting adjourned at 9:40 p.m.

Donna R. Weaver, City Recorder

Approved: July 12, 2016