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## PROVO MUNICIPAL COUNCIL

### Redevelopment Agency of Provo

### Regular Meeting Minutes

5:30 PM, Tuesday, January 22, 2019

Room 200, Municipal Council Chambers

351 W. Center Street, Provo, UT 84601

#### Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member David Harding

Council Member David Knecht

Council Member David Sewell

Council Member Gary Winterton

Council Member George Handley

Council Member George Stewart

Council Member Vernon K. Van Buren

Mayor Michelle Kaufusi (5:36 p.m.)

Council Executive Director Cliff Strachan

Council Attorney Brian Jones

Excused: CAO Wayne Parker

Conducting: Council Chair Gary Winterton

#### 2. Prayer

Norene Petersen

#### 3. Pledge of Allegiance

Kathleen Eckhard

#### Public Comment

Martha Windsor, Director of the Daughter of Utah Pioneers (DUP) Museum, along with Kathleen Decker, Former Director of the DUP Museum, and Norene Petersen, DUP Provo Camp President, spoke to council regarding the agreement with Provo City for the DUP building at 500 West 500 North. Ms. Windsor said there had been a time-honored commitment by Provo City to support the function of the museum. She asked to meet with the Council during a work meeting to discuss and execute a new contract for the museum.

There were no other comments from the public. Chair Harding closed public comment.

#### Action Agenda

- 4. Resolution 2019-03 authorizing the issuance of up to \$69,000,000 of general obligation bonds for the purpose of financing Fire, Police, and other City Facilities and related matters. (19-014) (0:11:10)**

**Motion:** An implied motion to approve Resolution 2019-03, as currently constituted, has been made by Council rule.

Dan Follett, Division Director of Finance, presented the details of the bond sale. The sale took place earlier in the day and was very successful, reported Mr. Follet. Twelve underwriters submitted bids for the bonds. The winning bid was 3.03 percent and was considered very competitive for the current market. The average annual cost would be slightly less than what was estimated and during the election:

	Residence valued at \$265,000	Business valued at \$500,000
Estimated	\$119.80	\$410.97
Actual	\$117.84	\$404.25

The sale was contingent upon adoption by the Council.

Mr. Winterton thanked Mr. Follett for the opportunity to participate in the sale process that took place earlier in the day. He noted all twelve bids were very competitive. Mr. Follett said Provo has great credit in the marketplace.

Mr. Winterton explained that 62 percent of the tax burden would fall on residents. Businesses would pay 35 percent and 3 percent would be paid by agriculture. Mr. Winterton recognized the bulk of this would fall on residents. He was grateful for everyone who would be paying for this bond.

Chair Harding opened public hearing, there was no response.

Mr. Strachan noted the amount on the resolution was \$65 million, not \$69 million as voted upon. Mr. Follet explained that cities could issue bonds at two percent over what was approved, in this case it would have been just over \$70 million. Because of Provo's favorable credit, the bonds were sold at a premium; they were sold for \$2,000 under the 102 percent maximum allowed by law. The principal amount was \$65,930,000, which brought this into compliance with state law. Mr. Strachan stated that the City would still be receiving the full amount approved by voters.

Mr. Winterton recognized that the State would guarantee loans for school districts, this resulted in better rates than a city might receive. Mr. Follet explained that prior to bonds being issued, a rating is given by the rating agencies. Provo was rated by two agencies, Moody's and Standard and Poor's, and received ratings of AA+ or AA1, this was one notch below AAA, the best rating possible. Mr. Follett thought Provo had received the best rating possible given the size and per capita income of the city. The State or Utah and many of the larger school districts were AAA rated institutions. Because the State guarantees the school bonds, it was like double insurance on the bond, resulting in a better rate.

Mr. Winterton thanked the administration and bond counsel for their efforts in getting a competitive rate.

Mr. Knecht wanted to recognize that the City had bonded for less than what had been approved by voters. Even though this would only save residents a few dollars per year, it was still important for the public to know the city was being responsible.

Chair Harding called for a vote on the implied motion.

**Vote:** The motion to approve Resolution 2019-03 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren, and Winterton in favor.

5. **Resolution 2019-04 appropriating ~~\$20,000~~ \$10,500 in the Police Department General Fund for the Urban Deer Program applying to the fiscal year ending June 30, 2019. (18-061) (0:25:19)**

*A motion was passed in work meeting to change the appropriation amount to \$10,500 from \$20,000.*

**Motion:** An implied motion to approve Resolution 2019-04, as currently constituted, has been made by Council rule.

Mr. Grabau explained that if approved an appropriation of \$10,500 would be used to reimburse the Police Department budget for the lethal portion of the urban deer removal program. The original amount of \$20,000 would have included the trapping program, but due to resource constraints, the City would not participate in the trapping portion of the program for this fiscal year.

Chair Harding opened public hearing. There were no comments from the public.

Residents had told Mr. Winterton that the program was making a noticeable difference. He expressed appreciation for the program and said he looked forward to seeing sustained results.

The updated resolution was displayed. Chair Harding called for a vote on the implied motion.

**Vote:** The motion to approve Resolution 2019-04 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren, and Winterton in favor.

6. **Resolution 2019-05 stating the intention of Provo City with respect to affordable housing. (18-070) (0:28:38)**

**Motion:** An implied motion to approve Resolution 2019-05, as currently constituted, has been made by Council rule.

Cliff Strachan, Executive Council Director, presented the resolution. The Salt Lake Chamber of Commerce initiated this resolution in August 2018. It had been presented to the Housing Committee and Council previously. Mr. Strachan reviewed changes that had been made to the resolution to address various concerns. Wording had been modified to prevent obligating the Council to do certain things. It was clarified that affordable housing was a state-wide issue, not just a city issue. It was estimated that 60-62 percent of the affordable housing burden in Utah County was being carried by Provo. The resolution invited other cities in the County to participate and share the burden. The resolution included references to the policies that were already in place to address affordable housing. It also differentiates between housing affordability and affordable housing. This was consistent with the goals already stated in the General Plan.

Chair Harding opened public comment, there was no response.

Mr. Knecht hoped this resolution would let people know what the City had been doing and what they plan to do regarding affordable housing and encourage others to do the same.

Mr. Winterton explained one of the reasons this had taken so long was because they did not want to bind future councils so they were careful to eliminate wording that might do so.

Mr. Stewart said Provo had done more than anyone in the County and maybe even the State with regards to affordable housing. He hoped this was a call to other cities to join in the effort to resolve this problem.

Chair Harding called for a vote on the implied motion.

**Vote:** The motion to approve Resolution 2019-05 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren, and Winterton in favor.

**7. Resolution 2019-06 with regards to an annexation petition for further consideration for approximately 13.45 acres of property generally located at 5400 N Canyon Road (Peay Annexation). North Timpview and Riverbottoms Neighborhoods. (PLANEX20180355) (0:33:43)**

Brian Maxfield, Planning Supervisor, explained this resolution was acceptance of an annexation petition for an area in northeast Provo. If the petition was accepted, it would start a lengthy process and the possibility of annexation would be explored further. The land was in an area where the city would have an interest in annexation, it was listed on the annexation policy declaration. He said Bonnie Marrow, Timpview Neighborhood Chair, was in favor of this moving forward.

Chair Harding opened public comment.

Sharron Memmott, Provo, wondered if it would be more cost effective to annex the entire area at once, instead of just a single property. She also wanted to know when the zoning would be proposed.

There were no other comments from the public. Chair Harding closed public comment.

Chair Harding asked when the zoning would be proposed. Mr. Maxfield said one option was to assign A1.5 which was the common zone in the surrounding area and then council could rezone it when a development proposal was made. The other option was to accept a concept plan at the time of annexation and then assign a zone to fit with the concept plan.

Mr. Winterton acknowledged the State would allow peninsula annexation, but he still wanted to consider annexing the entire area to maximize utility infrastructure. Mr. Maxfield said the intent was always unified development so that utilities were not piecemealed. Mr. Harding was also concerned about how this would affect utilities. He wanted to be sure it made sense.

Mr. Jones said there was not an implied motion because there were two options: accepting the annexation petition for further consideration or denying it.

Mr. Sewell was aware of other nearby property owners who were also considering annexation. He asked Mr. Decker to comment on potential issues. Mr. Decker explained there was a contour line splitting the property; anything above the contour line would require additional water structures. There had been some progress made in terms of waste water in the area, but it was likely improvements would still be needed. If the petition was accepted, Public Works and other departments would provide a formal recommendation later in the process.

Mr. Handley also wanted to explore the possibility of annexing the other properties in this area. He wanted to know if the adjacent properties could be included in this process if the petition was accepted. Mr. Maxfield said this would be possible. Mr. Handley was inclined to accept the petition if it might open the possibility of annexing the adjacent properties too.

Mr. Knecht asked Mr. Decker if there were any red flags at this point in the process. Mr. Decker explained that providing adequate water pressure to the homes above the contour line would be a concern. Everything below the contour line would be fine.

Chair Harding worried that annexing the property might be setting an expectation that the City would provide utilities for development. Mr. Winterton said this was no different than what had been done on the west side of Provo, there was no commitment to provide utilities.

Mr. Van Buren recalled that when the other annexation in the area had been discussed two years earlier, water was also a concern then. He agreed with Mr. Harding and was nervous about giving some sense of utilities being provided without a plan in place. He was inclined to look for a bigger annexation area with all of the properties included.

Mr. Sewell felt they should proceed with the petition to allow exploration to proceed. He wanted to know what other property owners would be interested in annexation.

**Motion:** Mr. Sewell moved to accept the annexation petition. Mr. Knecht seconded the motion.

Chair Harding called for a vote on the motion.

**Vote:** The motion to approve Resolution 2019-06 passed 6:1 with Council Members Handley, Harding, Knecht, Sewell, Stewart, and Winterton in favor. Council Member Van Buren was opposed.

**8. Ordinance 2019-01 amending the Zone Map Classification of approximately 14 acres, generally located at 2300 N University Parkway, from Regional Shopping Center (SC3) to Interim Transit Oriented Development (ITOD). Carterville Neighborhood. (PLRZ20180406) (0:47:52)**

**Motion:** An implied motion to approve Ordinance 2019-01, as currently constituted, has been made by Council rule.

Mr. Peperone, Assistant Community Development Director, said it was not typical for the City to initiate a zone change like this. During a Planning Commission meeting it was discussed that the property owner wanted to increase the amount of residential development that could be done in the SC3 zone. Making an amendment like this would impact other SC3 zones, so a planner suggested the developer should consider the ITOD zone. Given that Bus Rapid Transit (BRT) was so close to the development, they thought this property was qualified for ITOD. Community Development met with Economic Development and Redevelopment, as well as the property owner, they discussed the possibility of an ITOD zone and agreed this would be a beneficial change, so the City initiated the application.

The SC3 zone was assigned to the property in the late 1980s or early 1990 and had no design criteria associated with it. This resulted in a large parking area with buildings in the back. The SC3 zone was similar to strip mall type zoning and was more suburban. The ITOD and Downtown zones had architectural guidelines providing for a better-quality development.

The developers were working towards making this a more desirable development by moving buildings towards the Parkway frontage, an example of this was the new Café Rio. If they were given a blank slate for the area, they would place the businesses along the frontage with residential units towards the back.

Mr. Winterton noted some of the buildings had been moved forward, but it appeared the back of the buildings were facing the street. He thought they needed windows or something architectural to draw people in. Mr. Peperone reiterated that the ITOD zone had higher design standards and the developer had expressed interest in meeting higher standards.

Mr. Knecht said there had been national talk about form-based code; it seemed ITOD was close to this. Mr. Peperone said it was written to be a step in the direction of form-based code.

Mr. Sewell wondered if SC3 would still be the best zone for the remainder of the project. Mr. Peperone thought SC2 or SC3 would be fine. He explained that 14 acres would be residential, the other 16-18 acres would be retail use. SC3 and SC2 zones had similar in tax implications. The area across the street was SC2.

Mr. Winterton noted this plan included more retail than the original plan, this was a positive outcome.

Chair Harding opened public comment to the Neighborhood Chair, they were not present. He opened public comment to everyone else but there was no response.

Mr. Winterton attended the neighborhood meeting that was sponsored by Economic Development. He said concerns were related to protecting the corridor as a nice gateway to the community. He did not hear any other significant concerns at this meeting. Those in attendance thought retail was important, but they were also supportive of residential. Mr. Winterton was pleased with the neighborhood meeting and appreciated the developer attending.

Mr. Sewell recalled the Planning Commission recommended approval but suggested a development agreement. He wondered if this had been proffered by the developer. Mr. Jones said there had been a draft, but he was not certain of the status. Mr. Peperone said the developer was in possession of the draft agreement and planned to move forward with it. Mr. Van Buren asked if all five conditions listed by the Commission would be part of the Development Agreement. Mr. Peperone said all but one of them would be addressed by the agreement, that condition was fulfilled by including Exhibit A.

Chair Harding opened public comment to the developer or Economic Development.

Dixon Holmes, Economic Development Director, said this was an effort to move the project forward. He reiterated the back portion would be residential, the frontage area would be retail. The old Café Rio and Food 4 Less building had been removed, Shopko would be next. With approval of the ITOD zone, the developer would either begin work on the residential or bring in a third party partner to build the residential.

Mr. Holmes said there had previously been discussion of tax increment incentive, there had not been a Community Development Area (CDA) or tax increment approved for the area, but it may come forward at some point. A tax increment request would be independent of the rezone discussion. Part of the plan included a large and costly parking structure, it was possible the developer may approach the City or School District in the future to pursue tax increment to help pay for this, but as of now there was no request. Mr. Winterton wanted to be sure this would be a separate request.

Mr. Stewart asked if tax increment would include a residential incentive. Mr. Holmes said it is possible, the CityView apartments did something similar. This would be done in the future. Mr. Stewart thought the residential component complicated it, it was taxed at a lower rate.

Mr. Knecht asked if the developer wanted to address the council.

Cameron Basset, Sentinel Real Estate Group, was the owner's representative. He said this had been a positive experience, he appreciated Council's consideration of this request. He said this would be a high-quality gateway to the community.

Mr. Handley wanted assurances this would be an attractive and high-quality product. Mr. Ardmore presented other examples of ITOD zone residential projects. He said these would be the type of products produced in an ITOD zone. Staff was confident these regulations will provide quality development. Mr. Ardmore thought ITOD was the ideal zone for the project and would produce a desirable outcome.

Mr. Handley wondered if the Neighborhood Chair, Sarah Asay, had been given an opportunity to weigh in. Mr. Winterton indicated that she showed support at the meeting he attended.

Mr. Peperone told the council the zoning would not be applied until the developer had proffered a deployment agreement. Mr. Jones said the implied motion pertained to approving the zoning. However, there was an alternate version of the ordinance which would make the rezone contingent on the development agreement. If the council wanted this to be contingent on a development agreement, a motion would need to be made to substitute this version.

**Motion:** Council Member David Sewell moved to substitute the development agreement version of the ordinance. The motion was seconded by Council Member Handley.

**Vote:** The motion to substitute passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

Chair Harding called for a vote on the implied motion.

**Vote:** The motion to approve Ordinance 2019-001 passed 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

## Adjournment

The meeting was adjourned by unanimous consent at approximately 6:39 p.m.