

PAYSON CITY
CITY COUNCIL MEETING AND WORK SESSION
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, May 15, 2019

CONDUCTING Mayor William Wright

ELECTED OFFICIALS Linda Carter, Brett Christensen (6:08 p.m.), Taresa Hiatt, Brian Hulet,
Doug Welton

STAFF PRESENT David Tuckett, City Manager
Mark Sorenson, City Attorney
Sara Hubbs, Finance Director/City Recorder
Kim E. Holindrake, Deputy City Recorder
Jill Spencer, City Planner
Daniel Jensen, Planner II
Travis Jockumsen, Dev. Serv. Director/City Engineer, PW Director
Janeen Dean, Community Events Coordinator
Karl Teemant, Recreation Director
Dona Gay, Library Director
Scott Spencer, Fire Chief

OTHERS Tara Makin, Jodi Beck, Jeff Capozzoli, Jay Beachley, Brian Baker

Mayor Wright called this meeting of the City Council of Payson City, Utah, to order at 6:00 p.m.
The meeting was properly noticed.

A. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Councilmember Mayor Wright.

Pledge of Allegiance led by Dave Tuckett.

B. CONSENT AGENDA

1. Approval of the May 1, 2019 City Council Meeting and Redevelopment Agency

MOTION: Councilmember Hiatt – To approve the minutes from May 1, 2019. Motion
seconded by Councilmember Welton. Those voting yes: Linda Carter, Taresa Hiatt, Brian Hulet,
Doug Welton. The motion carried.

C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Public Forum

No public comments.

2. Staff and Council Reports (6:04 p.m.)

Staff Reports

PUBLIC WORKS – Brent Arns thanked the crews who put in a 19-hour day last Thursday on the water leak. A boil order was issued as a precaution. Everything has been repaired and is back to normal. The two pressurized irrigation projects are in full swing; Condie Construction is doing a great job. Staff met with representatives of the Central Utah Water Project this afternoon; the next reach is coming down Payson Main Street. They will replace a 6-inch city culinary line with a 12-inch line at no cost.

FIRE AND AMBULANCE – Chief Spencer stated the Great Shake Out last month went well with about a 10% resident participation. The new preparedness booklet has been printed and will be distributed to residents, which the color changes every year. Staff attended the EMS conference in St. George with two EMT's taking first in a traumatic medical and cardiac challenge, which is a great accomplishment.

COMMUNITY EVENTS – Janeen Dean reported the Pay It Forward challenge is Saturday at 4:30 p.m. with over 400 participants. She asked the council to be there to hand out medals. She has collected over 200 gift cards to give out for residents to pay it forward.

LIBRARY – Dona Gay reported summer reading signups begin at the end of the month with the theme Universe of Stories. Readers try to accumulate one million minutes. Currently, the library has a grant from the state to recognize Spike 150 to celebrate 150 years when the spike went in at Promontory Point. The library has lots of free pencils and bookmarks. The library received about 50 books on the subject, which are mostly checked out.

ADMINISTRATION – Dave Tuckett stated an open house is scheduled on Wednesday, May 29 at 6 p.m. to address the proposed budget and provide information to the residents.

Council Reports

Councilmember Christensen stated the Utah Valley CTE Expo begins tomorrow afternoon at the Spanish Fork Fair Grounds and includes all the high schools in the valley with 159 entries in woodworking as well as welding, floral, and photography. He thanked staff for their work on the broken waterline. Spanish Fork and Salem brought in equipment and supplies as well.

Councilmember Hulet thanked staff for fixing the waterline. There was a positive news report. The golf event for Payson's Open for Business is October 2. The event brings people into the city to showcase Payson. He thanked the PARC Tax Committee for their work and reviewing the projects. They were thoughtful, studious, and looked at project sites. The MTEC presentation in St. George included the first building that will be in Payson.

Councilmember Carter thanked staff for all the work on the waterline repair. She thanked the library board for their work. She has been subbing on a school bus as an aid. On the route, they go up a side street where a boy on the bus wants to get out because he wants to go to the library. He said he goes to the library all the times and loves it. There needs to be more focus on letting the residents know about the pressurized irrigation watering times. Residents are watering on the wrong days, and the lawns don't need the water.

Mayor Wright stated he was out of town when the water line broke and staff handled it well.

Councilmember Welton stated he is grateful for the staff; sewer, water, and road crews were all out working hard on the waterline. He appreciates the parks, police, fire, and engineers as well. The employees are very busy and work hard for the residents of Payson. The Memorial Day event is coming up Monday, May 27 at 9:30 a.m. at the cemetery. The event is patriotic and humbling. The library does a great job. The library board tossed out an idea to put a dowlle art mural of Payson in the breezeway, which would be a great attraction to the city.

Councilmember Hiatt thanked everyone for helping with the water break. The staff is awesome.

3. Scout Attendance Certificates

No scouts present.

D. ACTION ITEMS

1. Resolution – Parks, Arts, Recreation, & Culture (PARC) Tax Committee's Recommendations on Funding Projects (6:26 p.m.)

Staff Presentation:

Tara Makin presented the PARC committee's recommendations for the coming year. There were quite a few applications this year. The total funds received last year totaled \$249,909.

Mini Grant Applications	Amount Requested	Amount Awarded	Use
Payson Community Band	\$800	\$800	New music.
Huish Performing Arts and Cultural Education Center	\$7,500	\$7,500	LED theater lighting that is removable and chairs for the sideshow function.
Payson Civic Chorale	\$9,000	\$9,000	New music and storage file containers to organize the music.
People Preserving Peteetneet	\$12,000	\$12,000	Replace velvet drapes on the stage and back drapes as well as the north side if money is available.
Star Bright Dance Co.	\$10,000	\$1,100	This is a 501C3 company. Dance company reusable costuming.
Payson Community Theater	\$29,000	\$15,000	Lighting and production sound systems.
City Projects	Amount Requested	Amount Awarded	Use
2018-2019 & 2019-2020 Pickleball Courts	Up to \$300,000	Up to \$300,000 (\$150,000/year)	Two-year project with \$150,000 each year. Scheduled to open in July.
Trail Connection Design Fees	\$12,500	\$14,000 (two conceptual designs)	Property along Dry Creek to complete two conceptual designs.
Restroom Remodel at the Golf Course	\$30,000	-0-	The committee couldn't come to a consensus, but understand the city needs to keep amenities up. No funding recommendation. Suggested extending the Utah County Tax Revenue of \$10,000 and apply for the restaurant tax revenue of \$10,000. Then the city can match and have a total of \$40,000 next year. Revisit next year.

Memorial Park
Playground Shade
Structure (previous
year request)

\$30,000

Better visually to cover the playground at Memorial
Park with a shade structure for \$30,000.

Council Discussion:

Councilmember Carter stated she appreciates the committee and the work they have done. Everyone that applied was awarded funds except the golf course. She can count on two hands the number of people in this room that have just visited the golf course. Residents aren't aware of the out-of-state people who golf at the course. Non-golfers don't understand this. She suggested that the PARC Committee take a cart ride throughout the golf course with a member of the men or women's association so they can understand this Payson amenity. She hopes the restrooms can be done this year.

Jodi Beck stated she is on the PARC Committee and comes from a golfing family. Her husband golfs every morning. She didn't take this lightly. She asked her husband about the bathrooms, and he didn't know. The committee looked at the future. There would be funds available next year to do a better job on the restrooms because the pickleball courts would be done. A lower amount may just be a quick fix.

Councilmember Welton stated he loves that the committee comes with solutions such as the restaurant taxes. He appreciates contact from the committee who talked with him and asked questions. He questioned the shade cover. The city is making a big push for commercial development and economic growth. The golf course is used to recruit businesses and homebuilders.

Tara Makin stated the shade cover was on the list last year. She feels the city can find money other ways for the golf restrooms. The PARC tax is voter initiated; projects need to be visible to the residents such as the pickleball courts and the shade cover.

Councilmember Christensen stated with the sun, it's important to have a covered play area.

Councilmember Hulet stated studies say people judge places by the bathrooms. People come from all over the state to the golf course and many are influential people. Recently, some people came from Ireland to the golf course. The golf course is an important asset, which residents need to understand. That said, the PARC tax committee is critical. It's a citizen initiative, and citizens are making recommendations. He wants to follow the recommendations of the committee.

MOTION: Councilmember Welton – To approve the resolution adopting the Parks, Arts, Recreation and Culture Tax Committee's recommendations for the funding of the 2019 projects according to the guidelines set forth. Motion seconded by Councilmember Hulet.

MOTION AMENDED: Councilmember Welton – To include the shade structure over the playground area at Memorial Park. Amendment seconded by Councilmember Hulet. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt

Yes - Brian Hulet
Yes - Doug Welton

2. Request to extend the municipal boundaries to encompass the parcels included in the proposed Condie Annexation. The annexation consists of one parcel owned by Charlene H. Condie containing approximately 5.30 acres located north of Salem Canal Road at approximately 1400 East (2200 West, Utah County coordinate) (6:49 p.m.)

Staff Presentation:

Jill Spencer reviewed the Condie Annexation that includes acceptance of the annexation petition by the council for further review, certification of the petition by the city recorder, publication and noticing, no qualified protests filed, notification of pending annexation to the property owner, and additional information to the annexation sponsor to address code requirements. Both city code and state code regulations must be satisfied. In 2009, the city adopted the East Side Comprehensive Plan (ESCP) giving development guidance for the area. The current uses include an existing home and crop production. Site challenges include an existing open ditch on the south property line, which will be piped for the road widening. Petition details include 5.31 acres on one parcel, and the property owner signed the petition. Land uses and zoning designation includes the ESCP with the township neighborhood that includes larger lots with large areas of natural or passive open space. With a small annexation, it is difficult for the applicant to realize the full extent of the township neighborhood in providing large areas of natural or passive open space. The proposed use is single-family residential in the R-1-9 Residential Zone with 1/3-acre lots and 90-foot frontages. The R-1-15 Zone is another option with 1/3-acre lots and 100-foot frontages. The planning commission recommended the A-5-H Annexation Holding Zone in order to see the development layout with the subdivision review. The road going north can't extend north because the lots have been platted and sold, which the applicant discussed with the lot owner. Pushing the road to the east puts a burden on the Haskell Family. Compliance with the ESCP and city ordinances includes an annexation agreement, address any unresolved issues, and coordinate with Salem Canal Company and private irrigation entities. The planning commission held the required public hearing. The recommendation included approval with the A-5 H zone, the zone change to come with the development proposal, incorporate conditions of the ESCP, and direct staff to check into comments related to engineering, water, sewer, etc. If approved tonight, the process will not be complete until adoption of the ordinance along with the annexation agreement.

Applicant Presentation:

Jeff Capozzoli stated he is trying to do something with the land so the property owner can retire. Prolonging the development approval creates problems for the property owner. The property owner doesn't want to annex if the property can't be developed. He would rather cancel the annexation than move forward with the holding zone. He thought he would have the development approved by this time. Changing from 90 or 100-foot frontages doesn't make any difference. All the houses will have a three-car garage and fit on the 90-foot frontage lots. These new lots offer a nice, deep back yard.

Council Discussion:

Councilmember Carter stated the homes built in Ashlee Ridge are beautiful, and the continuation of that would be great.

Councilmember Christensen stated he's concerned about completing the infrastructure in front of the Loveless home.

Councilmember Hulet stated the ESCP was brought up a lot with the planning commission. He clarified the ESCP is just guidelines. He likes to follow the recommendations of the planning commission. He also doesn't want to put the developer in a position with the holding zone and then have something happen down the road with the development.

Councilmember Welton stated the city should be as true to the ESCP plan as possible because residents were involved in the preparation. There is flexibility with the ESCP.

Councilmember Hiatt stated the property owner should be able to sell the property and have it developed. An annexation takes a while; six months is pretty quick for an annexation.

Mayor Wright stated the city is being very proactive with annexations and growth.

MOTION: Councilmember Hulet – To approve the request to extend the municipal boundaries including the proposed Condie Annexation located along the Salem Canal Road at approximately 1400 East with the R-1-9 Zone with minimum 90-foot lot frontages and minimum 1/3 acre lots. Also making sure as the planning commission recommended that the engineering, water, sewer, etc. are taken care of and staff conditions. Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Doug Welton

3. Request by Scott and Julie Nielson for the I-O Overlay to create a future flag lot at 377 South 400 West on parcel 08:063:0003 in the R-2-7.5 Zone (7:24 p.m.)

Staff Presentation:

Daniel Jensen stated the R-2-7.5 allows the overlay for a flag lot. The project is located immediately south of a previous flag lot development. There is an existing home, which will be remodeled. The flag lot access is 30-feet wide with 12-foot side setbacks and with stone, brick, and LP wood/smart siding on the home. The new home will be pushed to the north to be visible from the street. Alternative development potential does not exist aside from a flag lot. The planning commission held the required public hearing and recommended approval.

MOTION: Councilmember Hulet – To approve the I-O Overlay Zone for Scott and Julie Nielson for a flag lot at 337 South 400 West in the R-2-7.5 Zone. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet

Yes - Doug Welton

4. Request for use of the I-O, Infill Overlay Zone on Utah County Parcel 08:138:0006 located at 523 S Main Street in the R-1-9 Zone (7:30 p.m.)

Staff Presentation:

Daniel Jensen stated the lot has undersized frontage at 65 feet and double frontage with a home on one street side. The proposal is to split the lot to create a lot on 100 East. There is a public utility easement for power lines crossing the center of the property. Originally, the applicant proposed a new home with the same architectural styling and construction as is present in the neighborhood such as brick, stone, and stucco type exteriors excluding vinyl or aluminum siding. During the planning commission meeting, the applicant requested changing the proposal to permit vinyl or aluminum siding and reducing the side-yard setbacks to five feet due to the small lot width. The neighborhood on the east side includes homes with a mixture of siding, stucco, and brick. There is a new home to the south. The planning commission held the required public hearing. Approvals tonight include the overlay and preliminary plan and final plat. He clarified that the I-O Overlay allows for modified setbacks.

Council Discussion:

Councilmember Welton stated the building standards should meet the new home (new Cornwall home) to the south. The neighborhoods are different at each end of the lot. It's good to see the property developed. Hardy board should be an option.

Councilmember Christensen is concerned with the five-foot side setbacks and vehicle access to the easements if needed.

Councilmember Hulet noted that the council previously approved a home with vinyl siding on the front as an accent that included rock and stucco. He doesn't want 100% vinyl or aluminum on the front.

Jay Beachley stated he doesn't have anything specific to build right now but doesn't want to be limited. The building standards put a stipulation on him as the seller to sell to someone who will build in a specific way that puts a stringent on the buyer unlike others in Payson. The ordinance says build it the way other houses are built in the neighborhood. He doesn't think the Cornwall home is a nice looking home; it's an awkward home on top of a garage. He would like to see a home setback and fit with the neighborhood.

Councilmember Carter stated the homes in the neighborhood have been there a long time except the new home.

Mayor Wright stated the ordinance language isn't quite as Mr. Beachley stated. New homes need to meet certain standards. Most of the homes were built years ago. There are plenty of options in the original intent.

Councilmember Hiatt stated there has to be accents on the home.

Jill Spencer stated the applicant is asking for the I-O Overlay to reduce the frontage, which is a legislative action. The city council has to determine what they want to see in the neighborhood. The

new Cornwall home shows how a new home can fit in the neighborhood. The applicant wants to have as many options available to him or to whomever he sells too. This is infill development where the city looks at the neighborhood and how development will enhance the neighborhood, which is the responsibility of the city council. There is a good example in the neighborhood because the Cornwall home was built in the last couple of years.

MOTION: Councilmember Welton – To approve the request for the I-O Infill Overlay Zone located at 523 South Main Street in the R-1-9 Zone with 5-foot side setbacks and modification to the building materials to include hardy board and vinyl siding with architectural design features and accents. Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Doug Welton

5. Preliminary Plan and Final Plat for the Beachley Subdivision, Plat A, (2 lots) located at 523 S Main Street in the R-1-9 Zone

MOTION: Councilmember Welton – To approve the preliminary plan and final plat for the Beachley Subdivision, Plat A, located at 523 South Main Street in the R-1-9 Zone with staff conditions. Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Doug Welton

6. Resolution - Consideration and adoption of a resolution authorizing the issuance and sale of not more than \$2,800,000 aggregate principal amount of Sewer Revenue Bonds, Series 2019; and related matters (7:53 p.m.)

Staff Presentation:

Dave Tuckett stated this parameters resolution is to bond up to \$2,800,000 for the sewer line that needs to be replaced. The city received a bid for about 2.2 million but needs to factor in potential change orders.

Brian Baker stated it's estimated that the city has a larger sewer project down the road. The thought is to bond for this project now for the shorter term that would then be rolled into the next financing and new project. Borrowing in the market over 20 years is expensive for a project of this size. This has a sufficiently low rate, and the city makes payments for 3-5 years until issuing financing for the larger project.

MOTION: Councilmember Hulet – To approve the resolution authorizing the issuance to repair the sewer down by the interstate, Sewer Revenue Bond, Series 2019, for an aggregate amount of not more than \$2, 800,000 and related matters. Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Doug Welton

E. WORK SESSION

1. General Plan Update (7:57 p.m.)

Sara Hubbs stated at the UGFOA conference, a discussion was held regarding how development loses money with low density. Developers install infrastructure, but the cities are responsible for maintenance, which is very costly. The city needs to keep this on the forefront when approving developments to ensure the city is fiscally sustainable.

Daniel Jensen stated he will address prioritization and the best options to accomplish responsible growth. The General Plan should be completed in November. The current city population from 2016 is 19,380. The projected population in 2050 is 58,500. Tools and methods of the past may not be the best method. The General Plan consultants put together a sprawl model that was presented at the open houses. Residents didn't want to see the sprawl models for Payson. He reviewed a financial revenue model in Lafayette, Louisiana where green makes money and red loses money. The green includes small parcel development that tends to be high density with some residential, commercial, and mixed uses. The high red areas are low density. *There are some remarkable things to note right off the top. When we added up the replacement cost of all of the city's infrastructure—an expense we would anticipate them cumulatively experiencing roughly once a generation—it came to \$32 billion. When we added up the entire tax base of the city, all of the private wealth sustained by that infrastructure, it came to just \$16 billion. This is fatal. To maintain just the roads and drainage systems that have already been built, the family in that median house would need to have their taxes increase by \$3,300 per year. That assumes no new roads are built and existing roadways are not widened or substantively improved. That is \$3,300 in additional local taxes just to tread water. This does not include underground utilities—sewer and water—or major facilities such as treatment plants, water towers and public buildings. Using ratios we've experienced from other communities, it is likely that the total infrastructure revenue gap for that median home is closer to \$8,000 per year.* The point is many cities experience similar numbers, and Payson needs to take this into calculation in assessing growth. A study of Fate, Texas, in 2015 showed modest to little revenue generation and areas with substantial loss. Through place-based development projections, net gains were predicted to 2050. He reviewed sprawl cost examples comparing a big box and a downtown mixed use. If all annual property tax revenue were paid by adjacent property owners to repair and resurface a road at a cost of \$354,000, it would take 79 years for the city to recoup the costs. The city needs new growth to recoup its investment; but as the city ages, the resources aren't available for maintenance. Payson's major revenue sources include property tax, sales tax, and state B&C road funds. The cost to overlay a road is \$150,000 to 200,000 per mile. When neglected, these road costs skyrocket. Similarly, trails have a 10 to 15 year life expectancy with a cost of \$20,000 to \$30,000 per mile. The city wants to grow but needs a growth strategy and needs to address financial

consideration. The General Plan process is looking at possible nodes throughout the city. These require significant investments including capital improvements and system improvements. Fate Texas created a nodal development with substantial revenue growth that showed substantial revenue growth. Quality of life needs to be considered as well as financial considerations. The General Plan open house growth scenarios 2 and 3 addressed nodal development and contained development while allowing single-family development. These scenarios were supported because of walkability, open farmland, centered around UVU, transit, and near Walmart, and rural character. With this information, staff and the consultants put together a prioritization plan to address containing growth moving forward while not overinvesting in several places at the same time. This plan is a working document with 10 year, 10 to 20 year, and 20+ year marks. east, north and central within 10 years, northwest and central west 10-20 years, and south and southwest 20+ years.

Council Discussion:

Mayor Wright stated the city needs a highbred or mixture of density to support the infrastructure.

Councilmember Welton questioned how the quality of life interchanges with the cost in relation to happiness, crime, etc. He worries there is nowhere for kids to run with all the high rises. The population declines are hard for communities to absorb. This doesn't lend itself to population sustainability as far as family size. For Payson and a community that likes families, what is the tradeoff for quality of life? It's not an easy answer. He questioned selling property rights. Responsible growth is saying no some times.

Councilmember Christensen feels the city is getting there with the 55+ communities, townhomes, and the middle of the road with larger homes. He feels the city is balancing development very well. He is concerned that there is so much development to the east. There needs to be west corridors.

Councilmember Hulet stated the MTEC area will develop faster than the Holdaway property. He likes the hubs for a walkable community. There will be a lot of pressure to develop quickly to the west because of the property owners, demand, and location. Public improvement districts with gerrymandering is an option.

Councilmember Hiatt stated developers always want higher density, and the city always give it to them. The city needs to look at the western node and determine what is wanted there. Once the connection is made across the tracks, the city will lose the control. Residents to the west will do 5.25-acre lots if the city doesn't work with them.

Daniel Jensen stated there are so many studies that go in many different directions addressing quality of life. There are areas to accommodate executive housing, single-family detached homes, single-family attached homes, townhomes, and smaller apartments. A transfer-development-right program needs to be explored. It is challenging with the amount of land that can be developed; there is so much land in the area. The city can only grow in so many directions at the same time. This is where prioritization comes into play. There will be a prioritization plan with the general plan. Growing in all cardinal directions will be expensive and create a potential for a crash.

Travis Jockumsen questioned how much the council wants to raise rates in order to support growth. Two new water tanks and another well will easily be 10+ million. Then there are sewer lift stations and trunk lines. Impact fees would need to triple or quadruple to allow growth to go anywhere. Staff

is getting development pressure from every direction. The current residents will pay for the growth.
The city will front the bill; special assessment areas are another option.

F. ADJOURN TO CLOSED SESSION

No closed session

1. Discussion regarding property sale and/or purchase

G. ADJOURNMENT OF CLOSED SESSION

H. ADJOURNMENT

MOTION: Councilmember Hulet – To adjourn. Motion seconded by Councilmember Carter.
Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Doug Welton. The
motion carried.

The meeting adjourned at 8:43 p.m.

Kim E. Holindrake, Deputy City Recorder