

**NORTH OGDEN CITY
ECONOMIC DEVELOPMENT COMMITTEE
MEETING MINUTES**

July 16, 2019

The North Ogden City Council convened in an open meeting on July 16, 2019 at 6:30 p.m. at the North Ogden City Office at 505 East 2600 North. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on July 9, 2019. Notice of the annual meeting schedule was published in the Standard-Examiner on December 28, 2018.

Committee:

M. Brent Chugg	North Ogden City Mayor
Blake Cevering	City Council Member
Bob Buswell	Committee Member - Excused
Christian George	Committee Member - Excused
David Gordon	Committee Member
Frank Hare	Committee Member
Jenice Jones	Committee Member
John Boyer	Committee Member
Kirk Chugg	Committee Member
Lisa Dahl	Committee Member
Michael Carter	Committee Member - Excused
Shawn Maynard	Committee Member
Susannah Burt	Committee Member - Excused
Troy Cutruba	Committee Member - Excused

Staff:

Jon Call	City Manager/Attorney
Lynne Bexell	Administrative Assistant

Visitors:

Julie Anderson
John Boyer
Brenda Ashdown

Mayor Chugg called the meeting to order and Dave Gordon offered the invocation and led the audience in the Pledge of Allegiance.

Mayor Chugg stated that with the events that have occurred in the City over the past year, the flag now means more to him than ever before. He thanked Kirk Chugg and the Follow the Flag organization for their efforts to honor fallen soldiers from the community. There was a brief discussion about the funeral services for Army Sergeant Elliott Robbins and U.S. Coast Guard member Jared Reaves.

ACTIVE AGENDA

1. **MINUTES APPROVAL – Consideration to approve the January 16, 2019, February 19, 2019, and May 21, 2019, minutes.**

Council Member Blake Cevering motioned to approve the minutes from the previous meetings. Committee Member Frank Hare seconded the motion. All in attendance voted in favor.

The motion passed unanimously.

2. **PUBLIC COMMENTS:**

Shawn Maynard stated there is not an agenda item regarding the topic he would like to discuss, which is maintenance of properties along Washington Boulevard and 2700 North; property owners should be required to mow their weeds and if they do not, the City should do it for them and bill them. There are half a dozen properties that he has noticed with overgrowing weeds that are impacting the sidewalks. He stated the City discussed a nuisance abatement program several years ago and he asked if the City can employ that tool to address the problem. City Manager/Attorney Call stated he will pass the information on to the City's Code Enforcement Officer.

3. **DISCUSSION ON POTENTIAL IMPACT OF CONVERTING AN EXISTING BASIN TO A COMMERCIAL USE.**

City Manager/Attorney Call stated that the City Council received a presentation last week from Zion's Bank regarding the potential impact of converting the detention basin on 2700 North to commercial use. He used the aid of a PowerPoint presentation that was provided by Zion's Bank and noted that to determine the impacts of converting the use, it is important to consider the highest and best use of the property, any fiscal impacts, and the retail market trends. The definition of highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The first consideration is what is physically possible, and Mr. Call noted the site has desirable visibility and exposure characteristics, includes frontage on two rights-of-way, and is adequately configured for multiple use options. Neighboring uses do not present notable developmental barriers. Relative to what is legally permissible, the site is zoned RE-20, which is the City's suburban residential zone providing for single-family residential and agricultural uses. The City's ownership of the property allows for zoning flexibility. A change of use would be considered financially feasible if the anticipated value is greater than the expected cost of construction; feasibility is a reflection of current market conditions, which suggest the following:

- Residential – strong support for apartments, townhomes, and single-family homes;
 - Low vacancies, increasing rental rates, limited concessions, short rollover periods.

- Office – healthy employment growth leading to office demand in key areas.
 - Suburban office use primarily limited to professional users needing less than 5,000 square feet.
- Retail – healthy demand for specialty retail options in key locations.
 - Generally considered to be overbuilt with retail in most submarkets;
 - Retail would need to be flexible for a variety of users.

The maximally productive use is that which creates the greatest return to the land. This subject property has some unique characteristics that influence the maximally productive uses, including the desire/potential to maximize fiscal benefits to the City and the ability of the City to influence feasibility by providing land and/or tax increment financing.

Mr. Call noted the presentation provided a scenario for residential development of the property; this scenario called for 200 units consuming four acres or 220,000 square feet. There would be two buildings, each three stories in height, with surface parking at 1.5 parking spaces per unit. The average unit size would be 1,000 square feet. The capitalization rate would be 6.0 to 6.5 percent with expected profit ranging between 18 and 28 percent. The fiscal impact to North Ogden would be approximately \$25,000 annually in property tax revenue and a population distribution of \$49,000. A second scenario entails an office space use; the property could accommodate two buildings of professional office space; the capitalization rate for this type of project is higher than residential and the expected profit would range between nine and 16 percent for a developer. The project would generate \$15,500 in property tax annually for the City. Scenario three is retail development, including multiple uses in 50,000 square feet. The capitalization rate would be 8.0 to 8.5 percent with an expected profit of 11 to 17.5 percent. The fiscal impact for the City would be \$15,000 in property tax and \$94,000 in sales tax revenue for a total of \$109,000 annually. He offered a comparison of the fiscal impacts for each of the three scenarios; developers would likely pursue residential development as the likely profit for them would be greater than for office or retail. He discussed other impacts of the potential projects, such as the increased population associated with a residential use and the impact of higher daytime population of the City if the professional office use were selected. Options available to the City relative to increasing profitability and investment desirability for the property include reducing the “cost of land” by lowering perceived value as portion of equity, making tax increment financing tools available to potential developers, providing financing options, and/or providing equity (in addition to the land).

Mr. Call then briefly discussed the retail characteristics for properties on 2600 North; there are strong traffic counts on Washington Boulevard and 2600 North. Additionally, there is a significant population support within a three and five mile range; the average income of the population within the three-mile range is \$82,000 annually. This translates to strong ‘capture’ characteristics. The cons of a retail development include changing market trends, a decline in the demand for space as some areas have been overbuilt, and a focus on areas of major planned growth. He then expounded on retail conditions in Utah from 2017 to 2019 as well as the trends in retail development and what retailers are doing to adjust. Retailers want the following:

- Strong traffic counts – multiple points of access;
- Growing populations counts in 0.5, 1.0, 3.0-mile radii;
- Daytime populations – typically requires an office presence;
- Destination locations – customer draws (parks, stadiums, entertainment options, etc.);

- Retailers are looking more closely at which demographics are more likely to online shop, and are looking for areas which support traditional retail activity.

He discussed the top retailers and considerations that these retailers make before determining whether to locate in a community. Retailers are so different from one another and it is important for a City to consider the impact of various retailers and their average sales per square foot as this is what translates to the fiscal impact for the City.

Throughout the presentation, Mr. Call fielded questions or comments from Committee members regarding matters such as the public process for changing the land use designation for the property, tax revenue implications for different optional land uses for the property, appropriate buffering between different land uses, preserving frontage for commercial uses along high-traffic corridors, potential economic incentives for different types of development, the types of businesses that may be interested in locating in North Ogden based upon the City's demographics,

4. **CDA - BUDGET – Presenter: Jon, City Manager/Attorney**

City Manager/Attorney Call presented the Committee with a budget document and facilitated discussion about the projected uses of tax increment within the project area as follows:

- Relocation of storm drain detention basin
- ROW for access along 2700 North
- Burying of power lines
- Other infrastructure improvements
- Waterline
- Pedestrian bridge
- Streetscape improvements

He then noted that increment generated in the project area will be used for these projects and the City will have up to five years after the expiration of the CDA to spend the funds. He also highlighted the boundary of the CDA and illustrated the manner in which the area interacts with the City's Redevelopment Area (RDA). There was then a discussion about businesses in the City that stand to benefit from improvement projects completed in the CDA and RDA. This led to philosophical discussion about the role of this Committee in engaging with businesses in the City, particularly new businesses. The group concluded it would be appropriate to assign one of its members to reach out to new businesses within six months of them opening their doors to see how they are doing and if they could benefit from involvement with the Committee. They brainstormed a list of businesses that could benefit from interaction with the Committee.

Several Committee members then indicated they would be supportive of the placement of additional utility box wraps along Washington Boulevard; there has been a significant amount of positive feedback about the wraps that have been completed and other cities have also started to wrap their boxes. Mr. Call stated that additional beautification efforts along Washington Boulevard could incorporate utility box wraps. This led to discussion of the public process for selecting photos to be used in the wraps.

There was then a discussion about the appropriate funding source for improvements to the trailhead at 2700 North near Coldwater Canyon and maintenance of the parking area that serves the trailhead. This work is needed in anticipation of heavy crowds during the week of Veteran's Day when the flag called The Major will be flown in the canyon. There was also a brief discussion about installing directional signage to inform visitors of the proper parking areas and trailheads to use so that they avoid private properties.

Mayor Chugg then stated he would like for the City to proceed with a welcome sign at the entrance of the City and he encouraged the Committee members to observe quality signage in other communities; they could take photos of other signs and provide them to the group to inform the formal design of the sign. Franke Hare stated he thought the City had set aside money for the sign. Mr. Call stated that may be the case, but the sign has not yet been designed. There was then a brief discussion about the designated location for the sign and important components of the design of the sign.

5. PUBLIC COMMENTS:

Julie Anderson, 940 E. 2600 N., asked for clarification of the General Plan land use designation for the detention basin property on 2700 North that was the topic of discussion earlier in the meeting. She stated that she thought the mixed-use designation had been assigned to that property, but another commercial use was referenced earlier in the meeting. Mr. Call stated that he may have cited the wrong designation earlier in the meeting. Ms. Anderson then stated that she would suggest the group use historical photos of North Ogden for the utility box wraps. She then asked how long the wraps last, to which Jenice Jones answered five to seven years. Ms. Anderson then stated that the posse grounds property may be a good location for parking for visitors who are hiking to the flag in Coldwater Canyon. Kirk Chugg stated that all options will be evaluated as Veteran's Day approaches. Ms. Anderson then stated she visited Northern Ice for the first time recently and it was a great experience; the staff was so friendly, and the ice was delicious. She concluded she does not personally know many of the members of this Committee and she would appreciate an opportunity to get to know them better.

Brenda Ashdown, 193 E. Pleasant View Drive, stated this is the first meeting of this Committee that she has attended. She asked about the process for approving expenditures that have been discussed tonight. Mr. Call stated that this group simply forwards recommendations on to the City Council and they have the final decision on any budgetary implication. Mr. Hare stated that the goal of this Committee is to unify the businesses of North and make efforts to attract new businesses to the City. Ms. Ashdown stated her concern relating to the relocation of the 2700 North detention basin is that there will be a small strip of residential properties located in the middle of commercial uses. She wondered if there should be consideration of buffering those homes against those commercial uses. She then stated that as far as the design of the welcome sign, she thought the design was similar to what has been used on the benches and planters located along Washington Boulevard. She then noted there are many who choose not to participate in social media, and she asked that matters published by this group or other City groups be done on other mediums besides Facebook. She inquired as to the requirements to be a member of this Committee; she asked if members must reside in North Ogden. Several Committee members answered no. Ms. Ashdown stated she is aware that Kirk Chugg does not live in North Ogden. Mr. Chugg stated that is correct, however, his kids attend North Ogden schools and she shops in North Ogden. He was invited to be a member of the Committee when he

lived in North Ogden and he was asked to stay when he moved. Ms. Ashdown stated that if the goal of the Committee is to promote North Ogden, she wondered why residency in the City is not a requirement for membership. Mr. Chugg stated that his business address is in North Ogden. Mr. Call added that Committee members are selected by the Mayor and approved by the Council. There was brief discussion about the intended diversity of the makeup of the Committee.

6. **COMMITTEE/STAFF COMMENTS**

Frank Hare asked that events hosted at the Senior Center be published in the City's newsletter. Mayor Chugg stated it is advertised in the City magazine, North Ogden Connection.

Lisa Dahl referenced the concept of building a pedestrian bridge over Washington Boulevard. Previously, the Committee had examined the option of a wrought iron sign, but the option was cost prohibitive. However, it may be more affordable if it is done in conjunction with a pedestrian bridge and she asked that the Committee consider that again in the future.

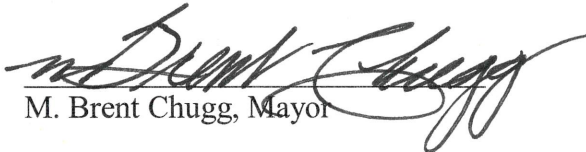
The next meeting will be September 17, 2019.


7. **ADJOURNMENT**


Committee Member Kirk Chugg motioned to adjourn the meeting. Committee Member Dave Gordon seconded the motion. All in attendance voted in favor.

The motion passed unanimously.

The meeting adjourned at 8:13 p.m.


M. Brent Chugg, Mayor


S. Annette Spendlove, MMC
City Recorder


Date Approved