

MINUTES OF A VINEYARD
CITY COUNCIL SPECIAL SESSION
Vineyard City Council Chambers
125 South Main Street, Vineyard, Utah
October 30, 2019 at 8:53 PM

Present

Mayor Julie Fullmer
Councilmember John Earnest
Councilmember Tyce Flake
Councilmember Chris Judd
Councilmember Nate Riley

Absent

Staff Present: City Manager/Finance Director Jacob McHargue, Public Works Director/City Engineer Don Overson, Assistant City Engineer Chris Wilson, City Attorney David Church, Community Development Director Morgan Brim, Sergeant Holden Rockwell with the Utah County Sheriff's Office, Building Official George Reid, Water/Parks Manager Sullivan Love, City Recorder Pamela Spencer, Planning Commission Chair Cristy Welsh, Planning Commissioners Tay Gudmundson, Anthony Jenkins, Jessica Welch, and Shan Sullivan

Others Speaking: Pete Evans and Nate Hutchinson with Anderson Geneva, resident David Lauret

8:53 PM SPECIAL SESSION

1. CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION/INSPIRATIONAL THOUGHT

Mayor Fullmer opened the meeting at 8:53 PM. Councilmember Judd led the Pledge of Allegiance.

2. PUBLIC COMMENTS

Mayor Fullmer called for public comments. Hearing none, she closed the public session.

3. CONSENT ITEMS

3.1 Approval of the September 25, 2019 City Council Work Session Minutes

3.2 Approval of the October 9, 2019 City Council Meeting Minutes

3.3 Approval of the Cottonwood Phase 4 Final Plat

3.4 Approval of Purchases

Mayor Fullmer called for a motion.

Motion: COUNCILMEMBER JUDD MOVED TO APPROVE CONSENT ITEMS 3.1 THROUGH 3.4. COUNCILMEMBER FLAKE SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

4. BUSINESS ITEMS

4.1 DISCUSSION AND ACTION – Town Center Master Development Agreement

Pete Evans with Anderson Geneva will present the proposed Master Development Agreement for the Town Center. The mayor and City Council will take appropriate action.

Mayor Fullmer turned the time over to City Manager Jacob Mchargue.

Mr. McHargue reviewed the changes proposed by staff in the agreement, which were:

- Recitals Section H adding “lift stations” and adding “...serves and...” in the last sentence.
- Agreement:
 - adding Sections 3 and 4
 - 3. District Map. The Town Center Map (exhibit D) superseded the district map in the Code. There are 4 changes described below;
 - a. Relocate approximately 12.19 acres of Village Office identified in the Town Center Map as VO-11, VO10, and VO9 to the west of side of Geneva Park.
 - b. Geneva Park is extended further to the south and is 29.86 acres.
 - c. 3-acre trail corridor running the length of the project adjacent to the railroad corridor.
 - d. 1-acre plaza in the Village Office district has been deleted from the map.
 - 4. Property Exchange. The Village Office plaza identified in The Code that is no longer necessary with the changes to the district map will be exchanged for the parcel identified as LF-6 for a future civic use. LF-6 (1.25 Acres) will be donated to the city upon execution of this agreement. *(There was a discussion about whether or not they would have to rezone the property. Mr. Brim would look into it.)*
 - 6. Vested rights – Section d: changing from annual to quarterly updates.
 - 8. Infrastructure
 - Section c – add:
 - iii. “Annual Reimbursement Payments” shall be made by April 1st of each year.
 - iv. The Available Tax Increment shall be reduced by The Property’s pro-rata share of any mitigation payment due to Alpine School District. Mitigation payments are calculated annually. The pro-rata share of The Property shall be calculated by dividing the total mitigation payment due by the total residential units in the RDA, and then multiplied by the units within The Property. The Agency Staff will notify Developer of any mitigation payment due prior to the Annual Reimbursement Payment. *(There was a discussion about the agreement with Alpine School District and the timing of the development.)*
 - Section c(v) – add: “...payment requests have been approved by the Agency Staff and...”
 - Add Section c (xi) and (xii):

- xi. The City Staff will be included in the construction process including but not limited to design, bidding contractor selection, and all change orders.
- xii. The Agency will approve the budget and final design of Main Street and the Lake Promenade.
- 11. Reimbursement Submittal and Payment add wording into (a)(v)
 - v. If the Punch List Items are not rectified by Developer within ninety (90) days the Agency may elect to use Available Tax Increment to rectify any remaining Punch List Items. *(There was a discussion about bonding.)*
- 12. Tree types identified in the Code shall be replaced by the approved Vineyard Tree Manual. (removing “in the General Plan”)
- Exhibit A: Property Legal Descriptions were added.
- Exhibit E: The Backbone Infrastructure
 - Number 12. remove: “...structured fill and...”
 - Number 14. add: “...additional...Plaza...”, remove “properties”
- Grammatical and number changes as needed.

Mr. McHargue said that he had a few other things that he had discussed with Anderson Geneva about having a clear definition of what structured parking was and clarifying that the structured fill and underground utilities were only reimbursable under the backbone infrastructure, which also included the parking structures. He said that the parking structure reimbursement land costs would be treated the same as backbone infrastructures.

Mr. Brim suggested that they add language for the civic center. The language would be “The civic center parcel be rezoned to Lake Front Commercial and Civic Uses would be a permitted use in the Use Table 3.08.010 (3). Civic Uses are permitted uses through the institutional building types section 3.10.80.” This would allow the civic use to be allowed in the Lake Front Commercial. Mr. McHargue asked if it would allow them to put City Hall backed-up along the Edge property and expand the promenade. Mr. Brim replied that it would be how they define it in the code and that they would need to amend the district map.

Mayor Fullmer asked to for comments from the council.

Councilmember Riley felt that so much of everything that the city had done in the last 14 years was coming to this culminating point, which was to get a city center developed. He said that the reason they established the RDA was to reclaim the property. He added that he was super excited to see this piece of property developed. He felt that this would ultimately secure Vineyard’s future. He explained that they had spent a lot of time with council, staff, and experts to decide if they should establish a Form-based code. He said that he wasn’t sure why they settled on the percentages they did, but promised them that the city council did not pull those numbers out of a hat. He said that the numbers came from the experts, to give the city the best chance of having a successful Transit Oriented District (TOD). He explained that they had traveled to Dallas and Portland to see what other cities had done. He said that it was eye-opening and guided them in a different direction, which led them to settle on the Form-based code. He felt that it was the right direction to bring in the density for the best chance to succeed as a community. Their vision had an opportunity to come to pass. He felt that they were working with developers that wanted to work with the city. He said that he wanted enough detail in the agreement that the city was protected, but have enough flexibility to allow future councils to make changes that were in the best interest of the community. He said that he was in favor of parking structures and liked the tiered financial structure. He said that he was originally reserved with where they were headed with financing of some of the backbone pieces, but he said that he looked at what the RDA was

created for, which was infrastructure, cleanup, and lastly incentives, so he was okay with it. He said that if they were reimbursing the infrastructure and cleanup, then there would not be any funds for incentivizing other players. He said if they could make the city center succeed and flourish then the development on the outside would come.

Mr. McHargue explained the tiered structure in the agreement. He felt that they could pay for 4,000 parking stalls with the tax increment they would be generating from the site. He did not know if they could afford to do 6,000 stalls. He reviewed the costs for a single parking stall and an entire parking structure. He expressed concern that they would be incentivizing the residential component and not the commercial. He was also concerned that they would only get two (2) parking structures and then nothing else would get built and the RDA would have failed. He felt that doing the tiered structure would incentivize the developer to build that next 1,000 stalls. He said that this would be done over time and keep them investing. He said that when he looked at the shared parking analysis, he realized that the developer was taking the risk. If they did not do the mixed use there would be no increment to reimburse the parking structures and infrastructure.

Councilmember Riley asked about the single increment number in the spreadsheet. Mr. McHargue replied that it was the total over the life of the development. Mr. Hutchinson explained that the parking correlated with how much commercial and retail they would get. He said that if they did not build commercial and retail, they would not get paid back for the amount of money they would be putting in. He explained how the tax increment worked. He felt that if they built the residential, then retail and commercial would come. He said the biggest components for retail to come were roof tops, foot traffic, and how much disposable income people had. He felt that residential on this site would be a game changer for retail. Mr. McHargue said that the assumptions being made were that they were adding 500 residential units and 75,000 square feet of non-residential in the first 3 years. Then 150,000 square feet each year until year 10 and 225,000 each year until year 18 and 75,000 a year after that. There was a discussion about the tiered payment structure and the number of stalls required for payment.

Mr. McHargue further explained the tiered structure. He said that reimbursement would be 70 percent for 1,000 stalls, 80 percent for 2000 stalls, 90 percent for 3,000 stall, and 100 percent for 4,000 stalls. He said that the city did not want to force something that did not work. There was a discussion about changing the number of stalls. Councilmember Judd asked what 4,000 stalls equated to for commercial. Mr. McHargue replied that it was 5 stalls per 5,000 square feet of commercial. Mr. Hutchinson mentioned that there would be street parking as well. He said that they would have to make the decision to pay for structured parking well before they would see how much tax increment there was.

Councilmember Flake said that, as a resident in 2015, his first efforts for the city were the Town Center code discussions. He said that he spent all that summer developing the Form-based code and was pleased that they now had a developer that, he thought, shared the dream. He stated that this was a risk for all of them. He said that he liked what had been done with the agreement but felt that there were still issues to be worked out. He said that this was a joint effort and that the city would be involved to the end. He liked that the city still was able to make input and had the ability to make this work. He felt that this was a living, evolving situation which was not cast in stone. He explained that he had lived in Europe and knew that these types of developments worked. He said the he had gone to the first large shopping mall, which was in New Jersey, in the middle of nowhere and people drove to it. Now shopping malls were collapsing and food was being delivered and the society was changing. He said that he had faith in the development and

was willing to vote in favor of it. He thanked everyone for their efforts. He felt there would be disagreements, but they would listen to each other and work things out.

Councilmember Judd stated that he did not like paying interest. He said if there were available funds for the city to pay for Main Street up front, he wanted the ability in the agreement to do that. He also wanted the ability to remove the Edge piece out of the agreement. Mr. Church thought that there was already a mechanism built into the agreement. Mr. McHargue said that they had discussed the Main Street component and pulling the Edge piece out of the agreement. The developer's concern was that part of the Edge piece was to do some of the improvements on the promenade and they wanted the city to frontload the cost of Main Street. He explained that they had discussed it as a potential negotiation that, if the city were able to front the cost for Main Street, then they could pull the Edge piece out and replace the funding. He further TOD explained that there were funds tied up on the east side that were already bonded for and they could not spend them without approval. Mr. Evans stated that they would be fine with that. He said that the agreement already provided for the city/RDA to do any of the improvements on their own. He said that they would be fine with removing the Lakefront residential piece from the reimbursement piece. There was a discussion about the Edge piece. There was also a discussion about the east side funding. Mr. Hutchinson said that the Edge piece could be removed if they included in the agreement something that referenced that if they work a deal out with the city on releasing some of the bonding capacity that was being held for future use on the east side, then that amount could be used for building Main Street. Councilmember Judd asked if the city wanted to be able to do it. Mr. McHargue replied that they could add the wording as long as they were not obligated to do it. Councilmember Judd said that as long as they could frontload it and reduce the accruing interest payment, he would like to do it. Mr. Church explained that there was a section in the current agreement that gave them the option to build any of the infrastructure and take it off their obligation. He felt that they did not need to add the new language now, but the appropriate way to do it was, if there was a way for the city/RDA to do Main Street, then renegotiate the agreement. He felt that this would happen over and over again.

Councilmember Riley asked Mr. Overson what he thought about the extra roads inside the development with only three access points into the entire site. He asked if, from an engineering standpoint, staff was comfortable that there were sufficient access points to handle the development. Mr. Overson replied that they needed to build the roads big enough to handle the volumes during peak demands. He said that by putting in the grid system it would help a lot, except on Main Street. He mentioned that every intersection would slow traffic down. He expressed concern with where they would be sending the buses without clogging the main artery. He felt that they could work through the issues. Councilmember Riley suggested that the first block into the development on Main Street be wider. Mr. Overson said that they would like to move the first intersection further to the north. He added that he would like to have a queue of over 1,000 feet to get traffic out of the development in the evenings. Mr. Evans felt that with traffic engineering studies that they had done, they had a plan that worked and were hoping to make it better. Mr. Hutchinson said that was why they added in the agreement that they had to work with staff on the design of Main Street.

Mayor Fullmer asked Mr. McHargue to explain the ratios and how they worked with the city. Mr. McHargue explained that the residential-to-commercial ratios were less concerning when he looked them as stand-alone projects. He said that the only way they would get a cohesive plan for structured parking was with a multi-use/dense urban downtown. He said that they would be incentivizing a mix of uses. Councilmember Judd felt that with the vision discussed, if they did not incentivize anything other than Main Street and the Promenade, they would miss the mark. He felt that it was not what was intended in the Form-based code. It was planned to be dense and

the only way to incentivize it would be through structured parking. He added that he liked the ratios they had come up with and it would give the developer an incentive to get to the next tier and that the city would get more commercial development.

Mayor Fullmer stated that they had not covered how the basic open space would be paid for. She said that there was a maximum for open space in the code. Mr. McHargue explained that 20 percent open space was required, but then it could go down to 10 percent through incentives. Mr. Brim explained that the original spaces, next to the promenade, were to be phased in with the development and the code allowed for incentives to possibly take the requirement down to zero. He added that the rest of the development could get reductions down to 10 percent if they improved certain things. Mr. Hutchinson felt that they were providing more open space than required. He said that there would be even more in the plans that they were sketching with DPZ (a land planning firm). He invited staff and council to participate in the discussions. Mayor Fullmer asked what the mechanism would be to pay for it. Mr. McHargue replied that there was not a funding mechanism for Geneva Park. He said that they could possibly use any money left from the cleanup on other parts of the Geneva property to cap the site and do further improvements.

Mayor Fullmer called for further comments.

Mr. McHargue asked what the council wanted to see as ratios of parking stalls required for reimbursement. He said that he was not certain on what the ratios should be. Councilmember Judd asked Mr. McHargue to review the suggested ratios again. Mr. Evans stated that they would like 100 percent reimbursement, but felt that the tiered structure would strike a balance between creating an increasing incentive for them to provide more parking which related to more commercial and retail. It closed the gap between structured and surface parking. He felt that it was a fair treatment of ensuring what the city wanted with more parking structures but not being so aggressive that it ended up being counterproductive and a disincentive. Councilmember Judd asked if they could split the difference and require 4,500 stalls. He felt that an additional 500 parking stalls would not be too much to ask. Mayor Fullmer asked Mr. McHargue to explain, to the public, how he came up with the 4,000 number. Mr. McHargue explained that 4000 stalls would cost \$60 million. He said that if they required 4,000 stalls then it would require the developer to put \$97 million up front with the potential of them getting reimbursed for the full amount. He explained that they would only get reimbursed for the development they put in. He added that there was an interest component as well. He felt that it was feasible for them to build the 4,000 stalls. Mr. Brim explained that the developer would provide 800,000 square feet of commercial and would be able to get substantially more parking with a shared parking structure. Councilmember Earnest felt that Mr. McHargue's instincts were good. Councilmember Riley asked what the amount was. Mr. McHargue explained that this agreement did not stop them from putting in more parking. He added that there would be non-reimbursable surface parking as well.

Mayor Fullmer stated that a lot of work had gone into this agreement. She mentioned that even though walkability would make the economy good, people were still concerned about the cars and parking spaces. She said that walkability was focused on in the city because it made it self-sustaining. She mentioned that Vineyard was at the crossroads of state and federal roads and transit. She also mentioned the cleanup project on the Geneva Steel site and that the city had to help pay for it. In order to do that they had to have the different types of housing, the Town Center, and have good vitality. She added that everything tied into the Town Center, from the south to the east, west, and north. They had planned for people to get to these locations in a walkable and bikeable manner that would make the city self-sustaining.

Councilmember Riley stated that he wanted the Town Center to succeed. He asked if the developer could make it work, if the first tiers stayed the way they were and they bumped up the last tier an additional 500 stalls. Mr. Hutchinson replied that according to the financial models, it would be too risky to build the extra 500 stalls, because it would add an additional \$7.5 million in costs. He explained that it would mean another \$100 to \$200 million of facilities that would have to be built to pay for it. He felt that they were stretching at 4000 stalls. He said that it would disincentive them from building the last 1000 units. Mr. Evans reiterated that it was really easy to forget the perspective on the parking stalls because there was a multiplication factor divided by a small amount. He said that the amount of additional facilities needed built to pay the \$7.5 million would be counterproductive. Councilmember Riley asked what dollar amount they would be reimbursing above the 4,000 stalls if the development was really successful. Mr. Evan replied that they would be reimbursing 100 percent above 4,000 stalls. He said that the problem Mr. McHargue was trying to solve was, if they built too few parking structures and picked the low hanging fruit, they would surface park the rest of the development. He said that they were trying to create an incentive program so that they build the next phase.

Mayor Fullmer asked resident David Lauret to explain why he felt the ratios should be different. Resident David Lauret living on Holdaway Road said that his concern was if they were allowed to build 80 percent residential with small shops, such as boutiques on the bottom, they would not be meeting the intention of the code to have 20 percent commercial. He expressed concern that development would happen like what happened in the Edgewater development where it ended up being all residential and did not meet the mixed-use requirements. He expressed concerned that there would not be a requirement that they had to build one type of use over another. There was a discussion about the Regional Mixed-use (RMU) area on Mill Road. Mayor Fullmer explained that commercial was driven by the economy. You cannot always force commercial to come first; the market controlled it. Mr. Brim explained that the RMU area was divided up and sold to property owners who built certain things, such as the Alloy and Edgewater developments. He said that the Town Center would be developed by one developer. Mr. Lauret felt that the tiered program was a reasonable incentive to get the mixture they were looking for. Councilmember Riley said that he did not understand why they were they not getting the commercial to come. He felt that there was an urgency for Vineyard to get going on the Town Center before the Point of the Mountain and Draper City started developing. He said that they needed to get traction on it. Someone needed to step up and “spec” a building or they would be on the short end of development. They needed to create the synergy and get people here. Mayor Fullmer felt that if they developed north of the Vineyard Connector it would help the areas to the south.

Mayor Fullmer said that if they compared the TOD that was near freeways and transportation, they would find that the percentage of residential was very high around them, which helped drive economic development. She said that when she had looked at other cities, they were in the 75 to 80 percent range for residential. Their calculations often looked at what transportation was in the TOD. She said that Vineyard had the FrontRunner, Light Rail, possibly buses, and the freeway, so the ratios made sense. Mr. Lauret felt that the other places had a better mix of population, different pay levels, and ages. He said that the city was being pressured to create low-cost housing and felt that if they did not make sure that we had a good mix of the types of housing they were offering, then they would not be able to make the formula work. Mayor Fullmer mentioned that the annual median income was around \$90,000, which put them at a pretty good threshold. She agreed that getting a mix with the right amount of affordable housing was difficult. She added that they did live in a student population which would always affect the city. She said that those young people, coming in with their talents, would fill the jobs, raise the median income, and would make it a great Town Center.

Mayor Fullmer called for additional comments. Hearing none, she called for a motion.

Motion: Councilmember Flake moved to approve 4.1.

There was a discussion about the motion. Change the code for the Lake Front commercial and the Promenade area, identify it as the civic center area and add the items Mr. McHargue addressed in the discussion, along with the redlines in the agreement.

Amended Motion: COUNCILMEMBER FLAKE MOVED TO APPROVE 4.1 AS PRESENTED ALONG WITH THE CHANGES DISCUSSED IN THE RECORD. COUNCILMEMBER EARNEST SECONDED THE MOTION. ROLL CALL WENT AS FOLLOWS: MAYOR FULLMER, COUNCILMEMBERS, EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

5. ADJOURNMENT

Mayor Fullmer called for a motion to adjourn the meeting.

Motion: COUNCILMEMBER FLAKE MOVED TO ADJOURN THE MEETING AT 10:19 PM. COUNCILMEMBER JUDD SECONDED THE MOTION. MAYOR FULLMER, COUNCILMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

The next regularly scheduled meeting is November 13, 2019.

MINUTES APPROVED ON: December 11, 2019

CERTIFIED CORRECT BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY RECORDER