

Minutes of the Work Session meeting of the Syracuse City Council held on December 10, 2019 at 6:00 p.m., in the Council Work Session Room, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Councilmembers: Lisa W. Bingham
Corinne N. Bolduc
Dave Maughan
Doug Peterson
Jordan Savage

Mayor Mike Gailey
City Manager Brody Bovero
City Recorder Cassie Z. Brown

City Employees Present:
Administrative Services Director Steve Marshall
City Attorney Paul Roberts
Police Chief Garret Atkin
Fire Chief Aaron Byington
Parks and Recreation Director Kresta Robinson
Community and Economic Development Director Noah Steele
City Engineer Brian Bloemen
Administrative Intern Brittany Morgan

The purpose of the Work Session was to consider an economic development incentive for Gateway Officer/Warehouse project; discuss a right-of-way interlocal agreement with UTOPIA fiber; discuss proposed zoning map amendment for property located at approximately 1650 South Banbury Drive, 1.28 acres, General Commercial (GC) to Planned Residential Development (PRD); discuss Final Subdivision Plat for The Fields Phase Three, located at approximately 2700 West Gentile Street; discuss Final Subdivision Plat, Edgewater Park Phases One and Two, located at approximately 2980 South Bluff Road; discuss proposed Zone Text Amendment relating to the minimum property size for a Planned Residential Development (PRD); discuss recommendation from Planning Commission to amend Syracuse City Code section 10.30.020 (B) pertaining to building materials; accept Americans with Disabilities Act (ADA) Transition Plan for first read; discuss proposed rewrite of Syracuse City Ordinances governing alcoholic beverage sales; continue discussion regarding accepting District Three water shares for development within Syracuse City; and discuss the Syracuse City General Plan.

Consideration of economic development incentive for Gateway Officer/Warehouse project.

A staff memo from the Community and Economic Development (CED) Department explained property owner Mark Thayne with Trico holdings has approached the city requesting RDA funds to assist in improving some land he owns on the east end of the city located approximately Bluff Ridge Dr and Antelope Drive. He owns the Pizza Factory building, the Gateway Storage units, the Flipside Tumbling building, the steel building with Barragan Tire, the vacant land on the corner, and the vacant land south of the pizza factory. Please refer to the attached map. The property is part of the 750 West redevelopment area. He proposes to build two office/warehouse buildings on the vacant land south of Pizza Factory. The buildings would be built with the long edge facing Antelope Drive for good visibility. The concept plans are attached to the packet for reference. The northernmost proposed building would be approximately 22,000 sf with 7 units at 3,085 sf each. Each unit would have its own front door leading to an office area with space for a mezzanine and a garage door in back leading to warehousing/ shop area. The southernmost building is imagined to be 29,400 sf with eight units for businesses. There, each unit would feature an entrance and a front facing garage door. The rear edge of the south building would feature about 7,500 sf of storage units divided into about 50 units (10 by 15). The two proposed buildings would total a combined 51,400 square feet with an estimated assessed value of \$5,645,000. The new buildings would add approximately \$36,059 in property tax to the RDA per year. Assuming a building completion in 2020, there would be another 10-years left in the RDA. During that time, the buildings would generate approximately \$360,589. The RDA could offer one or all three of the following incentive ideas. The standard incentive is a property tax rebate which would return 100 percent or less of what the project would generate back to the developer on an annual basis.

Another idea is to offer a tenant incentive program that would lower lease rates for companies, attracting companies to lease the space. This has been done with success recently in the Antelope Business Park. For example, a company that

qualifies could receive up to .15 cents off per square foot off the monthly lease payment paid out once per year. To qualify, the company would have to have a certain number of employees, commit to a certain number of years lease, and pay their employees a certain amount. For example, if a company leasing a 3,085 square foot unit at \$0.75 per month pays \$2,313 qualifies for the program, they could reduce their lease payment by up to .15 which takes it to .60 per square foot resulting in a \$1,851 monthly payment, which is a savings of \$462 per month. That comes to \$5,553 savings per year, with 15 units it could be \$83,295 per year, extend that for five years, that could be a total of \$416,475. Granted, not every company will qualify, but it could help fill up the space. Also, a zero or no interest loan program could be offered to the developer to improve the quality of development design and materials. Currently there is over \$900,000 dollars in the 750 West redevelopment area. This project has the potential to create spaces for small businesses to locate and expand. It could add to the lunch crowd at pizza factory resulting in increased sales tax. It could also generate increased property taxes above what storage units would, which are an allowed use in the industrial zone and the land is already zoned Industrial.

The memo concluded the goals of this discussion are to review the incentive options and provide input as to which, if any, incentive option(s) are preferred. Direct staff as to what the incentive agreement should include and decide when/if the item should be returned to the agenda for further discussion or a vote to adopt.

Mr. Steele reviewed his staff memo and used the aid of an aerial photograph to orient the Council to the location of the subject property. Mr. Thayne was given the opportunity to address the Council and he provided the history of planning for the area and widening the road in front of his property. He noted that since 2003 when the 750 West redevelopment area was created, Trico Holdings has contributed over \$800,000 in revenue to the RDA; he anticipates that before the RDA expires in 10 years, Trico will contribute another \$900,000 with not changes to the property. He stated that the proposal to build additional buildings will only increase that contribution. He would like to improve the façade of the buildings he would like to build so that they do not have an industrial appearance as storage units typically have and he hopes the Council will consider supporting that incentive as well as developing an additional access point to improve circulation at the intersection with Antelope Drive.

Mr. Steele then facilitated discussion among the Council regarding the incentive options that have been presented in his memo. There was a focus on securing approval from the Utah Department of Transportation (UDOT) for an additional access onto Antelope Drive; the potential to keep rent rates low as a result of an incentive to lower the property owners' costs of improving the property; increasing tenant retention rates; and improving the property's value by completing the development of an additional access point to improve traffic flow. The Council ultimately concluded to support the request for the incentive and Mr. Steele stated he will work with Mr. Thayne to negotiate an incentive agreement for consideration at a future Redevelopment Agency Board Meeting. This led to discussion of the potential terms of the agreement, including stipulating that the incentive amount is based upon the architectural and design standards implemented on the property, the drive aisle for the property, job creation, and tenant occupancy.

Discussion of Right-Of-Way Interlocal Agreement with UTOPIA fiber.

A staff memo from the City Manager explained in January 2018, UTOPIA offered two models of service in Syracuse City. One being a partnership with the City to provide high-speed fiber service to every home and business. The other model being a simple franchise agreement whereby UTOPIA could, at their discretion, compete as a data provider in Syracuse City along with other similar providers. At that time, the City Council decided the latter option. Since that time, UTOPIA has been in discussion and contracted with the City to provide high-speed fiber to the City Hall campus. That agreement was approved by the Council last summer. At this time, the City will consider the following terms of an interlocal agreement with UTOPIA to allow them to utilize City rights of way to install high-speed fiber service in the City where they see fit. The general terms of the interlocal agreement are as follows:

- The initial term of the agreement is for 15 years. Unless terminated by either party, it will automatically extend one year at each anniversary date, up until a total of 50 years.
- Syracuse City grants a license to UTOPIA to install, maintain, and access their facilities within City rights of way.
- UTOPIA will comply with all City construction standards, processes, and permitting for installation and maintenance of these facilities.
- Whenever UTOPIA installs Facilities within 1,500 feet of the properties outlined in Exhibit A (City Properties), UTOPIA will provide a dedicated access point near the vehicular access point to that City Property, for the purposes of possible future access and potential private network for the City. The City's utilization of UTOPIA's services, if applicable, would be outlined in a separate contract.

- The second model is a partnership with the City whereby UTOPIA fronts the cost to bring high-speed fiber to every household. The payback occurs as residents choose to sign up. A certain percentage of homes would need to sign up in order for UTOPIA to achieve a return on investment. The City, in this model, would guarantee the difference if there was an insufficient number of homes that signed up. The estimated number of homes needed to cover the investment cost is approximately 30%.

The memo concluded the goal of this discussion is to review the draft agreement, provide an opportunity for questions and answers, and decide whether to add this item to the January 14, 2020 Council agenda for approval.

Mr. Bovero reviewed his staff memo. Councilmember Savage asked if UTOPIA will be available to citizens or just businesses at this point. Roger Timmerman, UTOPIA Executive Director, stated that the initial phase of implementation will include service provision to businesses and schools; however, as infrastructure expands, there may be future conversations about the ability to provide service to residential properties as well. This led to discussion about the process the City could follow to determine the areas of the City for which implementation of UTOPIA residential service may be viable, with Councilmember Bingham stated she would be concerned about the potential for the City to subsidize UTOPIA service and indicated she is not comfortable providing a subsidy for an entity that should be competing in the private market. Mr. Bovero likened UTOPIA to the United States Postal Service (USPS) and indicated that assisting UTOPIA would give those living in rural areas of the City the access to similar service that is attainable for residents that are located closer to fiber infrastructure. Councilmember Savage stated it is important to note that UTOPIA does not provide internet service; rather, they provide access to fiber that any business can utilize. He feels that providing high speed internet to underserved areas would be a good idea for the City to pursue, but from a philosophical standpoint, he is not sure that every household actually needs high speed internet. Councilmember Bingham agreed and stated that high speed internet is not the same as other essential services provided or subsidized by the City.

The Council ultimately concluded to offer their support for considering a right-of-way interlocal agreement with UTOPIA for non-residential properties. Mr. Timmerman then stated that UTOPIA is regularly contacted by residents or developers interested in gaining access to their service; he would like to work with the City to provide him with the ability to work with developers to install fiber in conjunction with a new development. Councilmember Maughan stated that could be accomplished by utilizing City staff to stay informed about development that is occurring in the City.

Proposed Zone Text Amendment relating to the minimum property size for a Planned Residential Development.

A staff memo from the Community and Economic Development (CED) Department explained Nate Swain with Blacksmith Development has submitted an application to amend the City Planned Residential Development (PRD) ordinance. Specifically, in relation to ordinance 10.75.050 (B) that reads 'A planned residential development must have a minimum of 4.5 acres.' The City recently reduced the acreage requirement from five acres down to 4.5 in early spring of this year. Mr. Swain is requesting that the acreage be reduced down to three acres. Mr. Swain is interested in developing an approximately three-acre site on 1000 West south of Smith's as townhomes. The applicant argues that the site is a good location for townhomes and that the acreage is sufficient for open space, parking, and the units. The general plan has designated this location for 'Medium Density Residential' which would allow PRD zoning following a rezone approval, which Swain has also applied for. A minimum project size restricts the number of locations that the PRD zone can be applied to. Perhaps this was the city's goal in the past to limit multi-family development. Another site that staff has been receiving inquiries about for townhomes is located west of Walmart that is approximately 3.5 acres. Prior to constructing any PRD development, a zoning application would need to be approved which is a legislative decision at the discretion of City council following a recommendation by Planning Commission. Also, after rezone, the PRD project would go through a site plan approval if rental, or a subdivision process if condominium-ized. This text amendment would not be site specific as it would affect the PRD zoning ordinance regulations on the books and any rezone applications for a specific site would be considered independently.

The memo concluded the goals of the discussion are to review the proposed ordinance amendment and decide if the Council is interested in considering the application. If yes, the item will be sent to Planning Commission for a recommendation. If no, no further action is necessary.

Mr. Steele reviewed his staff memo and facilitated discussion among the Council regarding the implications of the proposed zone text amendment. There was also discussion about the conceptual plan for a proposed townhome development on property owned by the applicant if the text amendment receives support from the Council; this included a focus on the impact of a townhome development compared to a patio home development, the concept of identifying site/project qualifiers

for any property that is smaller than 4.5 acres in size for which the owner desires to develop a PRD project. The Council concluded to refer the issue to the Planning Commission and stress the necessity of considering the impact of a PRD project as infill in the middle of an established R-1 or R-2 area and to consider project qualifiers for properties smaller than 4.5 acres in size.

Final Subdivision Plat, The Fields Phase Three, located at approximately 2700 West Gentile Street.

A staff memo from the Community and Economic Development (CED) Department provided the following information about the application:

Location: 2700 W. Gentile Street

Current Zoning: R-1 (Cluster Conditional Use Permit)

General Plan: Low Density Residential

Total Area: +/-8.52 acres

Number of lots: 37

The applicant, Dane Smith with CW Land, has requested approval of a final subdivision plat for phase three of The Fields subdivision containing 37 lots. Minimum lot size in the cluster zone is 7,000 square feet or just under 1/6th of an acre. Once complete, this subdivision will be adjacent to the south edge of Shoreline subdivision. Phases one and two were approved on September 10, 2019. Infrastructure and groundwork on the first two phases began mid-October of this year. These lots match the preliminary plat and meet all the requirements of the Zoning Code. This is the final phase of this subdivision and consists entirely of detached single-family housing. During their regular meeting on December 3, 2019 the Planning Commission voted unanimously to recommend that the City Council approve this subdivision plat.

Mr. Steele reviewed his staff memo and the Council offered their support for placing an action item on the January 14 consent calendar for approval of the application.

Final Subdivision Plat, Edgewater Park Phases One and Two, located at approximately 2980 South Bluff Road.

A staff memo from the Community and Economic Development (CED) Department provided the following information about the application:

Location: 2980 S. Bluff Road

Current Zoning: Planned Residential Development (PRD)

General Plan: Medium Density Residential

Phase 1 Total Area: +/-9.063 acres

Phase 2 Total Area: +/-5.182

Phase 1 Number of Lots: 30

Phase 2 Number of Lots: 21

Applicant Alan Prince with Monterrey Properties has requested approval of two final subdivision plats containing a total of 51 lots. Each home in this community will be single family detached and each lot will be approximately 5,000 sf. The HOA community will have trails, a pickle ball court, and a pavilion. These lots match the preliminary plat and meet all the requirements of the Zoning Code and Development Agreement for this subdivision. These phases constitute the entirety of the project. Also included is a payback agreement that is needed because the developer will install infrastructure improvements that will benefit the surrounding property. The agreement will require the adjacent landowners to pay their fair share back to the Edgewater developer to connect to the previously installed infrastructure when they develop. On December 3, 2019 the Planning Commission unanimously recommended that the City Council approve both final subdivision plats.

Mr. Steele reviewed his staff memo and the Council offered their support for placing an action item on the January 14 consent calendar for approval of the application.

Recommendation from Planning Commission to amend Syracuse City Code section 10.30.020 (B) pertaining to building materials.

A staff memo from the Community and Economic Development (CED) Department explained David Lewis, employee of homebuilder D.R. Horton, has applied to amend Section 10.30.020 of the City Code pertaining to allowed building materials. Currently, the ordinance says that the front of a home must be covered with either 75 percent brick, rock,

or stone when accompanied with stucco, or 30 percent brick, rock, stone when accompanied by cement fiber board. D.R. Horton argues that current styles such as the 'modern farmhouse' style is all cement fiber board and that their clients do not want brick, rock, or stone on those style homes. They also argue that our standards inflate the cost of homes. Municipalities have the legal right to require certain materials and even colors as it is claimed that building materials can have a direct connection with health, safety, and welfare. Some cities choose types of materials strategically to create a unified brand. For example, Park City has wood beams. Centerville has grey rock. Midway has white stucco with wood beam giving a swiss theme. It has been argued that building materials have a direct connection to property values, protection from local climate patterns, economic development, and even intangibles such as 'making a nice place to live'. D.R. presented the proposed amendment to City Council on October 22 and not unanimously, it was decided to have Planning Commission provide a recommendation on this potential ordinance amendment. On November 5, Planning Commission reviewed the topic and held a public hearing. On November 19, A motion to approve the attached ordinance language was passed six to one. However, there was some confusion expressed by two commissioners who mis-understood the vote. Even if those two would have dissented, the vote would have resulted in the same result, but instead with a four to three vote. The memo concluded by referring to an attached recommended ordinance, and an information packet from D.R. Horton.

Mr. Steele reviewed his staff memo and reviewed the optional text amendments provided by the Planning Commission for City Council consideration. Councilmember Bingham stated that she visited a subdivision in Kaysville that has many home styles that are constructed using Hardy plank siding. She provided photos of many of the home in this development, which have high values. Additionally, it has been determined that the life of the siding is much longer than wood or other building materials. She is concerned about prohibiting this trend in Syracuse; doing so would have negative impacts on the City. This led to discussion of the implications of the three different options provided by the Planning Commission; the Council debated the value and aesthetic appearance of Hardy board and concluded to support option three included in the Planning Commission's recommendation. Mr. Lewis of D.R. Horton stated that the beauty of material and design is subjective, but he is concerned about requiring Hardy board on three sides of a home rather than just the front; this will increase the cost of homes and that may price some people out of purchasing a home or using the material. He would rather the Council support a text amendment that requires wrapping the material around the corner of the building and back a certain distance, but not the entire length of the side of a home. For homes on a corner, he is supportive of extending the material on the length of the side of the home fronting a street, but for interior homes, he would ask the Council to consider a depth for which the material should be wrapped around the building. The Council discussed and debated this idea was split between the option of requiring the material to be used on the entire length of three sides of the home and the option of requiring the material to be wrapped and extended a certain percentage of the total length of the side of the home. Mayor Gailey concluded to continue this item until the January 28, 2020 work session when a fifth member of the City Council will be seated.

Introduction of Americans with Disabilities Act (ADA) Transition Plan for first read.

A staff memo from the City Attorney explained that since 1991, federal law has required cities to conduct a self-evaluation of their services, policies, practices, and infrastructure for ADA compliance. Cities of greater than 50 employees are required to periodically review the self-evaluation and update it based upon modifications that came from the self-evaluation. To the best of our knowledge, Syracuse has not yet conducted this self-evaluation. If adopted, this transition plan and self-evaluation will bring us into compliance with the federal law governing self-evaluations. The anticipated timeline for this document is:

- December 10: First read and introduction at Work Session
- January 14: Public hearing
- January 15-Feb 7: Public comment period
- January 28: Work Session for Council edits
- February 11: Review comments and adopt Transition Plan

Mr. Roberts reviewed his staff memo, after which the Council complimented him on the thorough nature of his report and the Transition Plan. They indicated they are comfortable proceeding with holding a public hearing on January 14 in advance of an action to approve the Plan.

Proposed rewrite of Syracuse City Ordinances governing alcoholic beverage sales.

A staff memo from the City Attorney explained the City's alcohol code has not been substantially revised since 2011. In the meantime, the State's alcoholic beverage code has changed every year since and has provisions that are significantly different from the City's codes. It is recommended that we update our code to keep up with current state law. Rather than amending existing codes, it is also recommended that we repeal and replace the old code with the updated one. As a starting point for the repeal and replace process, there are a number of policy decisions that need to be addressed prior to drafting the code. Other policy decisions will invariably arise as the process moves forward. Administration anticipates that this will take many months to complete. As there is no particular rush or applicant, the Council can take their time discussing a rewrite.

Mr. Roberts reviewed his staff memo and an additional document summarizing the items to be considered through a rewrite of the alcohol code; this included topics such as the different license types that the Council can consider allowing in the City, the areas in the City in which liquor licenses could be granted, caps on the total number of licenses issued, and the ability of the City to enforce certain regulations; the Council provided feedback, which Mr. Roberts indicated he will use to update the document for further Council consideration. Mayor Gailey stated his perception of the Council's feedback is that they would like to mirror State Code wherever reasonable, but consider additional regulations specific to Syracuse City.

Continued discussion regarding accepting District Three water shares for development within Syracuse City.

A staff memo from the City Attorney explained City code currently requires a developer to provide water shares to the City for its use in the secondary water system (SMC § 8.10.090(A)). Some land does not currently have water rights associated with it, although many parcels in the City or the City's annexation-planned area do have water rights. Acquiring water shares or rights from water companies is increasingly difficult. The Council discussed this matter on September 24, 2019, and asked staff to further study the issue and identify ways to strengthen the ordinance – specifically, the Council was concerned about the possibility that a land owner could sell the land without the shares, saddle the city with more expensive District Three water under the ordinance, and then sell the shares to another user or municipality. The ordinance accompanying this memo addresses that concern by imposing additional requirements upon a person accessing the in-lieu, district three water. First, they are required to dedicate all of the water associated with the land under development. Second, they must demonstrate that there are insufficient water rights or shares to meet the City's requirements for water dedication. Third, they are required to prove that no water rights were transferred away from the property within the previous five years. Finally, we may be able to mitigate some of our exposure by imposing a percentage of shares that they must produce and permit an in-lieu fee only for the remainder – the right percentage is currently blank in the ordinance and we seek your guidance on hitting the correct number. Administration hopes that these measures will provide some measure of safeguard against the concern expressed.

Additionally, staff have consulted the books of the Layton Irrigation Company and tallied the location of shares associated with that company. The result of that study has shown that the problem of having insufficient water shares for the acreage is limited in scope; most large swathes of land to be developed currently have water rights associated with them, and the code would prohibit them from accessing District 3 water. It is conservatively estimated that there may be a deficit of 250 shares for all development below the bluff, which would result in a total cost increase to the City of approximately \$100,000.00 per year. When divided among an estimated total 14,000 homes across the entire city, this would result in a little over \$7.00 per year, or \$0.59 per month for each household on the entire system. Again, this is a conservative estimate – we believe that there would be fewer than 250-acre feet requiring this accommodation. As such, the Council should consider whether the administrative cost to administer the two-rate system offsets the benefits to the existing water users, or whether those users and the higher assessments can be absorbed over the ten years it takes to deplete the deposited fee for each home that is added to the system. Before enactment of this ordinance, staff will be required to coordinate with Weber Basin and ensure that the mechanism to acquire wholesale secondary water is adequate for these purposes. If it is not, then the City would need to create a new agreement, which could take some time.

The memo concluded by addressing the following goals of the discussion:

1. Consider ordinance and overarching policy considerations
2. Give direction to staff on whether to move forward with discussions with Weber Basin and whether to bring back the proposed ordinance amendment after doing so.

Mr. Bovero reviewed the staff memo.

Mayor Gailey recognized Mike McBride, Water Master for the Layton Canal Company, and allowed him to provide input. Mr. McBride stated that there is already a scarcity of water in the area; he regularly hears from developers who are

seeking access to available water shares to support their development. He feels that it would be appropriate for the Council to consider accepting district three water shares, the value of which will only increase over the next 10 years. He added that he would recommend that the City capitalize the water at a point that it will remain of equal value with Davis and Weber Water shares per acre foot. A 10-year capitalization will lower the price to the point that developers will only want to use district three shares. This led Mr. Bovero to facilitate discussion among the Council regarding the appropriate percentage of shares that a developer must produce when dedicating district three shares. The Council indicated they were uncomfortable determining the percentage at this time and would like more supporting data and to allow Councilmember-elect Teague to participate in the final discussion and action on this issue.

Discussion of Syracuse City General Plan.

An administrative staff memo explained members of the Council have requested to review and discuss the 2050 General Plan, which was formally adopted on September 10, 2019.

Councilmember Savage stated that he wanted to discuss the low-density land designation in the General Plan and indicated he would like to remove the Residential Planned Community (RPC) and Planned Residential Development (PRD) zones should not be classified as low density. He has had several residents approach him to express concern that the General Plan provides no protection for current property owners living next to an undeveloped parcel that could qualify for PRD or RPC development. He suggested that a separate density classification be created for the PRD and RPC zones. City Attorney Roberts clarified that the low-density classification in the General Plan does not include PRD, just RPC zoning. Councilmember Bolduc added that the RPC zone provides for single-family detached homes and that is the reason it is considered a low-density zone.

Councilmember Savage then referenced the commercial property across the street from City Hall on 2000 West; this property behind the commercial property is also zoned commercial, but the owner would like to build a residence and he asked that the General Plan for his property be changed. Councilmember Maughan stated that the property owner should petition the Council for the desired change. Councilmembers Bingham and Bolduc agreed and stated it would be inappropriate for the Council to arbitrarily consider the change without an application.

There was then high-level discussion about the definition of low and medium density housing classifications. Councilmember Savage stated that he feels that low density should be strictly single-family detached homes. Mr. Bovero stated that if the Council wants to adjust the number of units per acre for low-density zoning, further discussion is needed. Councilmember Savage stated he simply does not believe that the RPC zone should be considered low-density. The Council indicated that they are not prepared to consider amendments to the General Plan so soon after having adopted it in September; the document was thoroughly vetted and considered at that time and should only be considered if comprehensive edits are warranted.

The meeting adjourned at 9:26 p.m.

Mike Gailey
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: January 14, 2020