



PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Regular Meeting Minutes

6:00 PM, Tuesday, November 19, 2019

Room 200, Municipal Council Chambers

351 W. Center Street, Provo, UT 84601

Opening Ceremony

Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member David Harding

Council Member David Knecht

Council Member David Sewell

Council Member Gary Winterton

Council Member George Handley

Council Member George Stewart

Council Member Vernon K. Van Buren

Mayor Michelle Kaufusi

CAO Wayne Parker

Council Attorney Brian Jones

Council Executive Director Cliff Strachan

Conducting: Council Chair David Harding

Prayer – Jaden Pyne

Pledge of Allegiance – Joseph Black

Consent Agenda

Minutes for Approval

- **August 27, 2019 Board of Canvassers Meeting Minutes**
- **August 27, 2019 Council Meeting Minutes**

The meeting minutes were approved by unanimous consent.

Public Comment ([0:04:32](#))

Brian Jones, Council Attorney, read the public comment preamble.

Susan Christensen, Provo resident, spoke to the Council about the non-profit group Proactive Provo. She explained they were a pro-development group and made decisions based upon values. Their mission was broad participation and input from thousands of neighbors. She asked the Council to postpone approval of development in the northeast neighborhoods until their group is able to submit a neighborhood plan within the next few months.

Tamela Blake, Provo resident, was also a member of Provocative Provo. Ms. Blake said her neighbors had a strong direction of preservation of sensitive lands and wanted to stop development in irreplaceable natural areas. Their group prioritized preserving open space and agricultural lands. She said Provo had a good parks and recreation program and she wanted to see this expand to connect

parks, trails, and open space. Ms. Blake provided several examples of other cities that were working towards preservation of previous open space.

In a previous meeting, Jay Goodliffe, Provo, gave a statement about Timp-Kiwanis Bounous Park, he received feedback from Council about his statement and wanted to apologize and retract the insinuations he previously made.

Jeremy Pyne, Provo, lived in the Timp Neighborhood. He said the last time he was in a council meeting there had just been a young man hit and killed while walking to the Rec Center. The Council was asked to make improvements to the streets and sidewalks, Mr. Pyne said these improvements were made quickly and he thanked the Council for their quick action.

Mr. Sewell said the Council was very sympathetic to the issue, but it was Mayor Kaufusi who made the improvements happen. Mayor Kaufusi said it had been a team effort with Public Works.

Mr. Harding recalled the Council participated by helping to fund the improvements from their department budget. He was glad to see the City was nimble and reacted quickly to the situation. He was grateful for Public Works and the teamwork that made this happen. Mr. Harding was glad the City continued to work on street policy that would make all areas of Provo safe.

Action Agenda

1. Ordinance 2019-61 adopting a new Provo City Moderate Income Housing Plan as an element of the General Plan. Citywide Application. (PLGPA20190194) ([0:14:40](#))

Motion: An implied motion to adopt Ordinance 2019-61 as currently constituted, has been made by council rule.

Brian Maxfield, Planning Supervisor, explained the Moderate Income Housing Plan was a state mandated document. The current plan was created in 2016 but the State recently made changes to that required certain elements to be included in the plan. The plan being presented included these elements in a way that showed Provo's progress in working towards providing sufficient low-income housing.

The last section of the plan dealt with goals established to work towards affordable housing. The first section reiterates the goals adopted by the City Council in the General Plan. The second part dealt with new goals to work on soon to understand Provo's housing needs. The third section was an evaluation of the goals provided by the State. The City was required to address at least three of the goals, Mr. Maxfield said they were addressing 22 goals, if not all of them.

Chair Harding opened public comment, there was no response.

Mr. Winterton said this was a requirement of the State, but the Council was not finished with the discussion. There were many opportunities to discuss housing and this would be an ongoing conversation.

Mr. Knecht said the Housing Committee took these things very seriously. The Committee's members had lots of expertise on the subject and had creative ideas for providing affordable housing.

Mr. Handley appreciated the feedback from the Planning Commission about the neighborhood plan program. The Commission was concerned it might pose a risk to allow neighborhoods to have more autonomy or run interference on city planning. Mr. Handley's impression was that the neighborhood plans have assisted communication between the neighborhoods and the City. He said many of the neighborhood plans offered creative solutions to work towards affordable housing. He encouraged this to continue to be the spirit with which the program operates. He liked Mr. Harding's recommendation of helping the neighborhood understand the City's goals and the ways in which they could help the City meet these goals. Mr. Handley thought this report had been very informative.

Mr. Harding agreed the report was very informative. He invited all interested residents to read the report.

Chair Harding called for a vote on the implied motion.

Vote: The motion was approved 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

2. Ordinance 2019-62 amending the West Gateway Zone to better meet the purpose and objective of the Zone. Dixon and Franklin Neighborhoods. (PLOT20190376) (0:22:15)

Motion: An implied motion to adopt Ordinance 2019-62 as currently constituted, has been made by council rule.

Brian Maxfield, Planning Supervisor, presented. He explained this was not creating a new zone, just changes to make future development more viable in this area. This applied to the area off Center Street in the Dixon and Franklin Neighborhoods known as the West Gateway.

The main elements looked at providing more flexibility within the buildings. The height limitations were unchanged, but it removed the maximum number of floors allowed. This was a commercial zone that transitions into residential uses as it extends into the neighborhoods. This amendment emphasized the mixed uses allowed along Center Street.

Mr. Maxfield shared a photograph of the Carpets America building and said this exemplified the general setback that would be allowed. Staff recommended a three-foot setback, but the Planning Commission recommended 10 feet. The implied motion applied to the draft that had a three-foot setback.

Chair Harding opened public comment, there was no response. The Neighborhood Chairs from Dixon and Franklin were not present.

Mr. Sewell preferred the three-foot setback originally recommended by staff. He said it made sense along Center Street. The road is very wide at this section coming off the freeway. Increasing the rear setback had the intent to shift the projects forward and provide a larger buffer with the residences behind the project.

Mr. Maxfield said the Franklin Neighborhood had a meeting and reported there were no concerns. They wanted to ensure townhome developments would still be allowed on the south side of the road. Councilor Harding had attempted to solicit feedback from the neighborhood Facebook pages but did not learn of any concerns.

Chair Harding called for a vote on the implied motion.

Vote: The motion was approved 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

3. Ordinance 2019-63 amending the zone map classification of approximately 1.11 acres of property generally located at 688 N 100 W Residential Conservation (RC) to High Density Residential (HDR) and Med Density Residential (MDR) at 650 N 100 W. North Park Neighborhood. (PLRZ20190173) ([0:31:06](#))

Motion: An implied motion to adopt Ordinance 2019-63 as currently constituted, has been made by council rule.

Dustin Wright, Planner, presented this item. He described this property in the area of 700 North and 100 West, it was close to BYU campus and was near the Downtown (DT) zone. The UVX station was also nearby. The applicant requested to rezone the property from Residential Conservation (RC) to High Density Residential (HDR) for a new development and to rezone the adjacent parcels from RC to Medium Density Residential (MDR). The proposed MDR properties were already developed. The reason that they are being included with this request is to provide a transitional zoning buffer between the proposed HDR zone and surrounding RC zoning so that a ten-foot-wide landscape buffer is not required.

Most of the block consisted of apartment complexes with student housing and was zoned RC. The applicant feels that the highest and best use for his property would be multi-family housing due to the similarities of surrounding development and proximity to schools, work, public transportation, and grocery stores. The applicant has met with the neighborhood about the proposed rezone and development, there were no concerns. Staff and the Planning Commission recommend approval.

Mr. Knecht asked how many existing structures would be removed. Mr. Wright said there three structures that would be demolished, one was a duplex and the other two were single family homes. Mr. Knecht thought this was appropriate and good redevelopment. He said a necessary part of redevelopment was buying the under-utilized properties at a price that make the project feasible. Mr. Knecht did not see this happening in the Joaquin Neighborhood, it was more difficult to acquire property at a price that made development like this possible.

Mr. Harding noted this was near the Downtown (DT) zones, he asked if the approved project plan was available. Mr. Wright presented the concept plan. Mr. Harding observed some of the doors to the units were at street level. Mr. Wright said this design allowed for a better porch and aligned with the design standards of the DT zone, even though this was not located in the DT zone.

Chair Harding invited the applicant, Derek Tornow, to address the Council.

Mr. Tornow said his family has owned the properties for a number of years. In addition to the three structures on the property, there were two adjacent vacant lots. The properties were built around 1910. Mr. Tornow offered to answer any questions from Council, there were no questions.

Chair Harding opened public comment, the neighborhood chair was not present.

Brady Hill was a student attending BYU. He lived across from the proposed project and wanted to voice support of the zone change.

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

Chair Harding said this was the first hearing, but it was eligible to be voted on unless any council member wanted it continued to the next meeting. Mr. Harding mentioned this was a great project which was probably why there was so little discussion. He was reluctant to vote on non-routine items at the first hearing, but since there was no concern, he was okay with proceeding with a vote.

Mr. Sewell responded that not a single person had raised any concern, so it would probably fall into the definition of routine.

Mr. Knecht said it may not be routine, but he did not see this as controversial and no one, council or otherwise, had qualms about it. For him, this rule was to allow the Council more time if something needs to be addressed, but he felt good about this item.

Mr. Winterton said this fit within the character of the neighborhood and would not change the character of the neighborhood.

Chair Harding called for a vote on the implied motion.

Vote: The motion was approved 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

4. An ordinance to enact Provo City Code Section 15.03.105 (Temporary Limitations on Certain Sewer Connections). Citywide application. (PLOT20190392) ([0:43:14](#))

Motion: An implied motion to adopt the item as currently constituted, has been made by council rule.

Brian Jones, Council Attorney, presented. This ordinance would place limits on the number of sewer connections allocated on the west side of Provo. The ordinance had a sunset provision that said this ordinance would be repealed upon the completion of certain City infrastructure projects according to the impact fee study. The Council was set to update the impact fee study at a meeting the following month, so it was recommended by staff this item be continued to the December 10 meeting.

Mr. Van Buren stated his preference to continue this item to the next meeting, December 10, 2019.

Despite the item being continued, Mr. Harding wanted to have public comment and any necessary council discussion. Chair Harding opened public comment.

Curtis Leavitt, Cedar Hills, was a representative of D.R. Horton. He wanted to commend the staff for working with them and residents of west Provo. Mr. Leavitt had been working with the Grow Family to develop Osprey Towns in west Provo and understood the difficulty of allocating sewer connections. He said D.R. Horton had the opportunity to work with many of the families on the west side of Provo, he said they all wanted to grow and develop their land and they looked forward to this opportunity. He hoped this would establish and grow the goals of the City by providing different housing needs and introducing commercial areas to the west side. He thanked the staff and Council for listening to the developer's perspective.

There was no other comment from the public. Chair Harding closed public comment.

Mr. Harding encouraged those who were interested in the development of west Provo to study this and contact their neighborhood councilor with any questions or concerns.

5. Resolution 2019-60 authorizing Provo City to enter into an Interlocal Agreement with the Redevelopment Agency of Provo City authorizing the use of Tax Increment in the South Downtown Community Development Project Area. (19-130) (0:50:04)

Items 5, 6, 7, 8, and 9 are related and were discussed together.

Motion: An implied motion to adopt Resolution 2019-60 as currently constituted, has been made by council rule.

David Walter, Redevelopment Agency Director, presented. Mr. Walter explained that items 5, 6, 7, 8, and 9 were all related. The reason there were so many related but separate items was because the Redevelopment Agency would be entering into an agreement with each taxing entity: Provo City, School District, Utah County, and the Central Utah Water Conservancy District (CUWCD).

The development area was on the block where the IFA store was previously located. It was known as the Mill Race development. Tax Increment Financing (TIF) would be used to activate this project area and to help pay for parking.

Mr. Walter said this project would have structured parking and some of those spaces would be allocated for the public. There would also be a pedestrian bridge that would cross 600 South and the railroad tracks.

Chair Harding opened public comment.

Samuel Oman, Provo, said he was the closest neighborhood representative to this project. He hoped this project would succeed. Mr. Oman had concerns about the use of TIF. He wanted to know how the base value would be determined, the term of the agreement, and the amount. He said Provo Mall had been receiving TIF since it opened and was not performing well. Mr. Oman asked for better management and disclosure.

There was no other comment from the public. Chair Harding closed public comment.

Mr. Knecht asked Mr. Walter to answer Mr. Oman's questions, how much and how long? Mr. Walter explained the term would be 15 years and he gave the approximate maximum amounts each entity could provide over the 15 years:

- Utah County: \$767,000 with a participation rate of 50 percent.
- Provo City School District: \$4,400,000 with a participation rate of 70 percent.
- Central Utah Water: \$450,000 with a participation rate of 75 percent.
- Provo City: \$1,800,000 with a participation rate of 95 percent.

In total, the maximum amount over 15 years would be \$6.7 million between the four entities. The taxing entities would not be taking a reduction in the amount they received today, the increment comes from

the increase in the property values, which triggers an increase in the property tax. Mr. Walter said there was nothing in the agreement that obligate the entities to make payments if there is no tax increment.

Mr. Knecht asked Mr. Walter to explain how the City would benefit from this agreement. He summarized the key features of the development which would include apartments, offices, an urban chapel, pedestrian bridges, and much more. The school district would receive access to the meeting space.

The school district receives a larger portion of property tax than the other entities, so their participation was critical according to Mr. Knecht. He was glad they would get meeting space from this project, but he wondered how they benefit from other projects. Mr. Walter thought it was a way for them to contribute to the City and disperse development throughout the City. It also helped to expand the amount of property tax available over time.

Chair Harding invited the applicant, Justin Earl, to address the Council. Mr. Earl said it had been a positive experience to work with Provo City. He said they were very interested and invested in Provo. They were interested in acquiring property around the block and had already seen how values were quickly increasing because of their project. Construction costs are constantly increasing, so this increment was very helpful.

Chair Harding called for a vote on the implied motion.

Vote: The motion was approved 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

Redevelopment Agency of Provo

Council adjourned as the Municipal Council of Provo and reconvened as the Redevelopment Agency of Provo.

Redevelopment Agency Chair Knecht read the next four items into the record so they could be discussed together. See item No. 5 for a description of these items.

6. **Resolution 2019-RDA-11-19-1 authorizing the Redevelopment Agency of Provo City to enter into an Interlocal Agreement with Provo City authorizing the use of Tax Increment in the South Downtown Community Development Project Area. (19-130) ([1:15:02](#))**
7. **Resolution 2019-RDA-11-19-2 authorizing the Redevelopment Agency of Provo City to enter into an Interlocal Agreement with Utah County authorizing the use of Tax Increment in the South Downtown Community Redevelopment Project Area. (19-131) ([1:15:02](#))**
8. **Resolution 2019-RDA-11-19-3 authorizing the Redevelopment Agency of Provo City to enter into an Interlocal Agreement with Provo School District Authorizing the use of Tax Increment in the South Downtown Community Development Project Area. (19-132) ([1:15:02](#))**
9. **Resolution 2019-RDA-11-19-4 authorizing the Redevelopment Agency of Provo to enter into an Interlocal Agreement with the Central Utah Water Conservancy District authorizing the use of Tax Increment in the South Downtown Community Development Project Area. (19-133) ([1:15:02](#))**

Chair Knecht opened public comment on these four items and there was no response.

Mr. Winterton thanked the developer and staff for their work to make this project come to pass, he thought it would be a great asset for Provo.

Mr. Harding thought this project would be a game changer and would raise the property values in the area. The public benefit of parking and the pedestrian bridge was great too. He thought this was a good use of tax increment financing.

Motion: Council Member George Handley made a motion to approve all four items at the same time. Council Member Van Buren seconded the motion.

Chair Knecht called for a vote on the motion to approve all four items.

Vote: The motion was approved 7:0 with Council Members Handley, Harding, Knecht, Sewell, Stewart, Van Buren and Winterton in favor.

10. Resolution 2019-RDA-11-19-5 designating a survey area, authorizing the preparation of a draft Community Reinvestment Project Area Plan and Budget, and authorizing and directing all necessary action by the Redevelopment Agency, staff, and legal counsel. (19-135)
[\(1:19:33\)](#)

Motion: An implied motion to adopt Resolution 2019-RDA-11-19-5 as currently constituted, has been made by council rule.

David Walter, Redevelopment Agency Director, presented. This was in consideration of creating a new Community Reinvestment Project Area in the Riverwoods area. Qualtrics, a large technology company co-headquartered in Provo, was looking to expand by adding 150,000 square feet and would add more than 1,000 employees over ten years. The average wage for the new jobs would be approximately \$87,000 annually.

Located near the Provo campus was a small four-acre parcel that Qualtrics planned to improve as a temporary parking lot for the construction phase and then would make at least half of this lot available to other businesses in the area once construction is finished.

This resolution would create a survey area for the community reinvestment area. Mr. Walter explained that survey areas are typically bigger than the final area, as would be the case with this area. The survey area was roughly 296 acres, but the project area would be much smaller. This was the first step in a much longer process. This would authorize staff to prepare a plan, budget, and work with other entities to finalize the project details that would eventually be presented to council at a future date.

Chair Knecht opened public comment, there was no response.

Mr. Winterton asked much of the open land within the survey area was developable. Mr. Walter was not certain but knew there were some areas that could not be developed.

Mr. Walter said the current 400 Qualtrics employees were very spread out in their existing building; there was already room to expand. This project would double the space, bringing the total square footage to 150,000 square feet.

Mr. Van Buren thought tax increment financing (TIF) should be used in blighted areas where it provides a public benefit. He thought this area was already economically sound, so he would not be supporting this.

Mr. Harding was excited that Qualtrics was expanding in Provo. He said this was a great example of the magic that could happen in Provo. Qualtrics was a great member of the community that represented Provo well. Like Mr. Van Buren, Councilor Harding was concerned about how TIF should be used. More details about Mr. Harding's concerns could be found by reviewing the work meeting. Despite concerns, Mr. Harding would be supporting this resolution to create a survey area.

Mr. Walter wanted to be clear that this resolution and this step in the process did not commit any entity to participate.

Mr. Winterton was respectful of those who were concerned about the use of TIF. But he thought this was a statement to the community that we want businesses in our community. Business in Provo helped not only with property tax, but with sales tax too. He wanted to send the message that Provo needs business and they were an important part of the community and contributed to the quality of life.

Mr. Sewell noted that in his tenure he could not recall a project of this size that provided so many well-paying jobs. He felt this was a significant opportunity for Provo. This would help to raise the average income in Provo and would also provide additional property tax over the long term. High income residents would spend a significant portion of their money within Provo, boosting sales tax. The State of Utah felt this would have such a positive impact that they were participating. He wanted to send a signal that Provo was interested in this project.

Mr. Stewart voiced his support and said Qualtrics was a tremendous company. Opportunities of this magnitude did not happen often in Provo. He was fully supportive.

Mr. Knecht recalled that Provo had helped to bring Duncan Aviation to Provo. It had provided jobs with annual income of about \$66,000. They were good paying jobs, but the Qualtrics project brought this to a new level. He did not know what else might happen in the survey area, but there had to be a standard set. This was an exceptional project that Mr. Knecht was glad to support.

Mr. Handley was also supportive. He said Councilor Sewell's comments had summarized his feelings.

Chair Knecht called for a vote on the implied motion.

Vote: The motion was approved 6:1 with Council Members Handley, Harding, Knecht, Sewell, Stewart, and Winterton in favor; Council Member Van Buren opposed.

Action Agenda

- 11. ***CONTINUED*** Daniel LaFontaine requests a Zone Change from R1.10 to Low Density Residential for 1.07 acres for a townhome development, located at 50 E 3900 N. Riverbottoms neighborhood. PLRZ20190265**

12. *****CONTINUED*** Community & Neighborhood Services Dept requests an Ordinance Text Amendment to Ch14.33 and 15.05 of the Provo City Code to update the development requirements of lands located in the Special Flood Hazard Area. Citywide. PLOTA20190328**

Adjournment

The meeting of the Redevelopment Agency was adjourned by unanimous consent at approximately 7:30 p.m.