



PROVO MUNICIPAL COUNCIL

Work Meeting Minutes

1:30 PM, Tuesday, October 08, 2019
Room 310, Provo City Conference Room
351 W. Center Street, Provo, UT 84601

Agenda ([0:00:00](#))

Roll Call

The following elected officials were present:

Council Chair David Harding, conducting
Council Vice-chair Kay Van Buren
Councilor Gary Winterton
Councilor David Sewell
Councilor George Handley
Councilor David Knecht, arrived 1:35 PM
Councilor George Stewart, arrived 1:39 PM
Mayor Michelle Kaufusi

Prayer

The prayer was given by Councilor George Handley.

Business

1. **A discussion regarding west side sewer capacity and a consideration of options. (19-085) ([0:05:14](#))**

Dave Decker, Public Works Director, presented. He highlighted the previous presentations and thanked Public Works staff members for their work modeling and studying sewer issues. Mr. Decker highlighted a sewer diversion project which they had been exploring in late August. Based on modeling of the collection system and monitoring of the diversion over the last month or so, Public Works was comfortable with what they were seeing there. They have also been making improvements to correct inflow and infiltration (I&I) issues. Staff recommended continuing operation of the sewer system with the diversion in place. This diversion has opened up some capacity that could potentially be allocated for development on the west side. There was limited capacity and the policies for allocating connections would be a key consideration for the Council. Their modeling has showed that even with high I&I levels, the diversion should still function adequately. The added capacity amounted to approximately 500-600 homes that could flow into the existing 36" line. Mr. Decker outlined the several upcoming years of infrastructure projects in west Provo, noting how these fit in with the broader discussion of sewer capacity.

Mr. Decker outlined the major projects through 2022, notably the master lift station near the airport and the force main (which would connect to the 36" parallel line). Mr. Decker outlined several considerations, noting that some incoming developments had direct access to the 36" line, while other projects may only have access contingent on capital improvements occurring

over the next two fiscal years. Mr. Decker also noted that some projects would be funded over two fiscal years, as the funds would be needed at the beginning of the construction season, with new funds coming online when the next fiscal year began partway through the construction season. Mr. Decker outlined two potential timelines for timing projects and funding cycles:

<u>Current Timeline</u>	Today	<u>Accelerated</u>
Lift Station and Force Main Design		Lift Station and Force Main Design
1 st \$3 million available	July 1, 2020	\$6 million available Begin Construction
Begin Construction	January 1, 2021	
2 nd \$3 million available	July 1, 2021	Complete Construction
Complete Construction	January 1, 2022	

He noted that the accelerated timeline would require all funding for the master lift station upfront, which would result in its completion six months earlier than otherwise planned. He noted that many individuals in the development community were interested in hearing how the City could accelerate key projects. Mr. Decker explained that acceleration could be managed internally, though this method was not recommended, as it would divert funding from other important projects. There was also the possibility of inviting the development community to front project funds, which could be repaid with impact fee credits and/or a repayment agreement. Wayne Parker, CAO, outlined various ways such an agreement and timeline could be structured.

Councilor George Handley asked how the potential Provo School District bond would impact the discussion. Mr. Decker explained that the District's site near Footprinters Park was near the 36" line; depending on how connections were allocated, the School District could potentially have immediate access. Councilors shared additional comments regarding the limited capacity.

Mr. Decker cautioned the Council in their approach to allocating connections. He suggested it was more prudent to allot smaller amounts of sewer connections to more developers, allowing various projects to proceed with smaller phases of their projects. Mr. Parker explained that the 500-600 units allowed for some progress in the initial months, however, there were still problems further down the road as the parallel 36" line would introduce its own limitations.

Councilor Gary Winterton asked about pioneering agreements. Brian Jones, Council Attorney, explained that this was a common practice in many other cities. Councilor David Harding asked about the timeline under the current plan for the parallel 36" line. Mr. Decker said funding would begin in FY2023 for several years, with the last allocation for the project coming in FY2025. Mr. Handley asked what advantage to developers moving the timeline ahead six months offered. Staff explained that it gave developers the advantage of another construction season. Councilor David Harding asked whether there were any concerns about The Mix and how the diversion and added capacity would impact that project.

In response, Mr. Decker shared more details about their hydraulic modeling, which examined

present conditions, projections based on the General Plan, and strategic densification adjustments in downtown and other key areas. Mr. Decker explained that the primary infrastructure projects would put in the backbone for the west side sewer system, but that most developers would still need to figure out how they would connect into the system. In response to a question from Mr. Knecht about the culinary water system, Mr. Decker highlighted recent storage tanks constructed in 2015. The water system was much further ahead than the wastewater system and Public Works staff were comfortable with the flows as well as system redundancy.

Councilors discussed key policy considerations. Comments and discussion included:

- Prioritization and allocation of current connections based on various factors
- Mr. Harding suggested different factors such as: what point in the process a project was at (accepted project plan vs plat approval vs. etc.), proximity, seniority (who's been waiting the longest), relevance to city goals (such as a west side grocery store).
- Councilor George Handley felt that it was important to balance any proposal against the City's stated plan and goals, unless an explicit decision to deviate was made. Mr. Handley suggested that if the School District bond passed, he wanted to make sure the City was in a position to follow through with commitments associated with school construction.
- Mr. Jones emphasized the importance of defining specific criteria in order to fairly apply the policy to actual proposals received.
- Cliff Strachan, Council Executive Director, suggested that the Council allow or direct staff to create an internal working group to draft some policy goals and approaches. He suggested a group of Council and Administrative staff produce a proposal on how best to allocate connections that are available presently and in the future. Staff would return to the Council with a proposal well before the end of the year.
- Mr. Strachan was interested in seeing whether the Council as a whole wished to stick with the seven-year plan or to explore acceleration more broadly. Several Councilors observed that accelerating the master lift station would not mitigate the capacity issues of the 36" line; units may be constructed more quickly, but the overall capacity would be the same.
- Mr. Decker noted that improvements to I&I issues may open up additional connections. He wanted to continue monitoring I&I data to ensure consistent results.
- Mr. Harding said he generally favored staying the course with the seven-year plan; a slower pace of development allowed the Agricultural Commission more time to seek grants for conservation easements. Mr. Harding was also concerned with the possible power dynamics if a developer fronted funds for capital improvements, though he was open to hearing proposals. He thought that while the market seemed to demand quick action, there was a solid basis for a more methodical and sustainable approach.
- Mr. Parker shared additional considerations about how to structure a prioritization matrix; perhaps it could be a helpful tool in encouraging developers toward mixed housing types, discounts for workforce housing, or other affordability elements. The Council may want to condition project acceleration on some of these factors.

Motion: George Stewart moved to commit to being willing to look at the opportunities to accelerate development of the master lift station. Seconded by David Knecht.

Councilor David Sewell felt that there was value in communicating via this motion that he was supportive of hearing proposals. Mr. Handley and Mr. Knecht expressed that they were open to proposals, but they felt that establishing the City's priorities was necessary first.

Vote: Failed 3:4, with Kay Van Buren, David Harding, David Knecht, and George Handley opposed.

2. A discussion regarding a Water Conservation Plan (19-105) ([1:43:44](#))

Gary Calder, Water Resources Division Director, presented. Mr. Calder explained that the purpose of the plan was to show the City has maintained and held its water rights, which is critical to make the case to the State that the City should be allowed to keep those rights. Mr. Calder explained that a draft plan had been submitted to the State for feedback; they did not anticipate changes from the State and felt confident presenting this summary to the Council, intending for formal approval from the Council by the end of the year.

Keith Larson, Bowen Collins, shared more details on the Water Conservation Plan, which was a crucial part of the long-term water supply plan. Mr. Larson shared details of Provo's water use history. In 2000, usage was at an average of 254.2 gallons per person per day. By 2018, this rate was reduced to 175.5 gallons per capita per day. The goal was 25% reduction by 2025. Mr. Larson indicated that Provo was currently ahead of the State conservation goal, though there were years when consumption had increased.

Councilors shared comments and asked questions, including:

- Councilor Gary Winterton asked about the Provo River regional goal. Mr. Larson explained that new goals were being set throughout the State; the exact direction was not yet clear, as the public comment period had just closed.
- Councilor George Handley asked about major reasons why Provo was so low. Mr. Larson felt that Provo's conservation levels were worth celebrating no matter the cause. He said Provo benefitted from more density than many communities; a large portion of water use occurs in outdoor irrigation.
- Councilor David Harding commented on sustainable growth and development patterns in Provo, which were having the desired effect with conservation and sustainability.
- Mr. Handley stressed the importance of being able to measure the impacts. It is helpful for residents to see their own usage and understand the local impacts.
- Councilor David Knecht asked about permeable cement. Mr. Calder and Mr. Larsen explained that it required more maintenance, but could be effective in some applications.

Mr. Larson echoed Mr. Handley's comment, suggesting that data and research was supportive of this view. Allowing residents to see how they are doing relative to their friends and neighbors was a greater motivation than financial savings, however tiered rates and smart meters were other tools to use toward promoting ongoing conservation practices. Mr. Larson also noted that increased efficiency in outdoor landscaping through use of waterwise plantings, cool season turf grasses, and xeriscaping all contributed toward higher rates of water conservation. **Presentation only.**

3. A presentation and discussion on the 40-Year Water Supply Plan (19-104) ([1:21:49](#))

Dave Decker, Public Works Director, introduced the discussion and invited Keith Larson, Bowen Collins, to present. Jon Schutz, water rights attorney, was also present. Mr. Decker explained that State law allows cities to protect water rights, and that cities have greater protections in place than most public water suppliers. This 40-year plan projects the City's water supply and demands into the future and is a key component in the City's overall water resources strategy. Mr. Schutz noted that this would be a critical component to demonstrate reasonable future requirements, which the City may need to do during the State's water rights adjudication process at a future time.

Mr. Larson explained in more detail what was involved in the 40-year plan. Using population data and projections, they examine the historic demands for water in the City and make predictions about how those demands may change as the population grows and certain areas of the City become more densified. Mr. Larson referred to several elements of the report and how those figures interact to illustrate this data. He explained that it was important not to design only for the exact amount of water the City needs; having extra is critical in case of natural disasters, contamination, mechanical failure, or other problems which can impact the water supply.

Mr. Larson highlighted the various supplies of water to the City, including springs, wells, and surface water. Springs are impacted by hydrology and weather. Wells rely on a supply of water in the aquifer and have been trending downward in production; the trend over many years shows that more water is taken out of the aquifer than enters it through natural recharge. During 2018, several wells experienced mechanical failure, so additional treatment of surface water was needed that year. Mr. Larson outlined the historic supply analysis, which illustrated the projected production requirement for a dry year. Without implementing conservation measures, there may not be sufficient water in future dry years. The projections also assume access to the City's full water rights (i.e., well mechanical failure in future years could negatively impact this).

Even though Provo is currently using less than its groundwater rights, staff were concerned that the aquifer may not be able to support additional withdrawals; the aquifer capacity may limit the City's ability to utilize its groundwater rights. However, the City has many surface water rights. Public Works staff hope to utilize these surface water rights to pursue aquifer storage and recovery (ASR) and additional storage in Jordanelle reservoir. In wet and dry years, ASR would be critical to meeting needs. Continued development of wells and ASR would help meet demand on high water days (such as frequently occur in the summer).

Councilors shared questions and comments, including:

- Councilor George Handley asked a question about climate change. Mr. Larson explained that the models utilized to prepare the report are based on the Central Utah Water Conservancy District's work on the overall water shed in the area. The model accounts for fluctuation in precipitation amount and type, bringing in storage systems and ASR as essential components in the water system. Mr. Handley wondered whether there was modeling available to examine whether or not the City and its water users will be able to live within their means.
- Councilor David Knecht asked whether Provo needed to worry about the aquifer and its impact or connection to other cities. Gary Calder, Water Resources Division Director, explained that the engineers were trying to update the model they use to better

understand the impacts from other cities. A critical aspect of ASR is location and location selection will be a critical component in the pilot studies Public Works will do. They are anxious to begin ASR modeling, as it requires many years for water to travel and reach the aquifer. With high spring runoff during the last few years, it is a critical time to begin ASR studies and projects.

- Councilor Gary Winterton asked about the costs of ASR. Mr. Decker explained that the five projects proposed could be completed almost entirely with existing facilities. If these pilot projects have positive results, some additional capital expenditure may be needed, but it would depend on what water source is used for ASR.

Mr. Larson reiterated the major conclusions and recommendations of the plan. Mr. Schutz said if the plan was needed for water rights purposes, it would be brought back to the Council for official adoption to submit to the State, but it would remain a draft at present. **Presentation only.**

Policy Items Referred from the Planning Commission

4. **A discussion on a request for a General Plan amendment from Commercial (C) to Residential (R) for property at 1900 N Canyon Rd for a 120-unit apt building for married/student housing. Pleasant View Neighborhood. (PLGPA20190251)**
5. **A discussion on a request for a zone change from Public Facilities (PF) to Campus Mixed Use (CMU) for approximately 1.34 acres, located at 1900 N Canyon Road. Pleasant View Neighborhood. (PLRZ20190227) ([2:00:53](#))**

Robert Mills, Planner, presented on items 4 and 5 in tandem. Mr. Mills noted that the project has changed to 121 units in 4 stories above grade, with parking in the basement. The applicant has proposed a General Plan change from the current commercial designation to a residential use. Most of the surrounding area north of the location is currently residential on the General Plan map and this proposal would be consistent with the area. The applicant has also proposed a zone change to Campus Mixed Use, which does not have a density requirement, but has other limitations based on height, parking, and zoning requirements.

Mr. Mills responded to questions from Councilors. Councilor Gary Winterton asked about the original zoning of the property, which he thought had been previously owned by BYU. Mr. Mills explained that the Public Facilities zone had been broadly applied and that the UCCU facility was considered a non-conforming use for the Public Facilities zone. Councilor George Stewart asked why the applicant had proposed a CMU zone rather than high-density. Mr. Mills explained that the CMU zone provided additional flexibility for the applicant, given the property's proximity to the university area. The purpose of this zone was to provide a mixed use option suitable for a university setting; it would not necessarily require a commercial component. The intent of the zone seemed to match well to the area. The applicant's original proposal would have had a higher building and a parking reduction, but they have adjusted the proposal to meet the height and parking requirements while also better utilizing the site. The feedback from the neighborhood regarding the adjustments has been favorable.

Paul Evans, Pleasant View Neighborhood Chair, shared comments on the project. There were

still some concerns regarding the height; the developer had proposed a height of 55 feet, but the zone would technically allow heights up to 75 feet. There was mention of a development agreement, which could assuage some of those concerns. The Council would only be approving the zone change, after which any related project plan would be reviewed at the Planning Commission. Brian Jones, Council Attorney, shared details of the draft development agreement he received from the developer, which included conditions limiting the height to 65 feet regardless of the permitted height in the zone, as well as limiting any project to 125 one-bedroom units. Mr. Mills indicated that the project had gone to the Planning Commission and the Commission felt it would be a positive change in the area. Councilor George Stewart was hesitant to vote on this item at the evening Council Meeting without further neighborhood feedback and a decision regarding a development agreement. ***Presentation only. This item was already scheduled for the Council Meeting on October 8, 2019.***

Redevelopment Agency

6. A discussion regarding the assignment of parking spaces to Provo City Housing Authority (19-107) ([2:29:00](#))

David Walter, Redevelopment Agency Division Director, presented. Mr. Walter displayed the property in question on the corner of 100 North 100 East in Provo. The Provo City Housing Authority (PCHA) has entered into a contract to develop the property with residential housing units. PCHA plans to apply for low-income housing tax credits (LIHTC). Part of the process entails showing control of the site in order to file the application.

Robert Vernon, PCHA Executive Director, shared details on the proposed 74 apartments:

- 30 units of permanent supportive housing in partnership with Scenic View Academy (for residents with special needs)
 - These residents do not drive. They would plan for some extra bicycle storage and other parking would be used for family and staff.
- 44 units of 62+ senior housing
 - Based on observation of other senior facilities, they anticipate needing .5 spaces per unit; many other senior facilities have excessive extra parking.

Forge Development had been assigned 120 parking spaces under a previous agreement. Assuming PCHA secures the tax credits they were seeking, they believed they could release half of those 120 spaces back to the City. PCHA felt that they were the best buyers for the property, as their project proposal would also free up additional parking downtown. This would require the City to approve a transfer in ownership on the existing parking lease.

Councilors shared comments and asked questions regarding the proposal, including:

- Councilor George Stewart had been under the impression that that corner property was planned for commercial use. Wayne Parker, CAO, explained that Forge had left the market. Mr. Parker felt that the City regaining control of a portion of the 120 spaces was a net positive that would grant the City more control in the Wells Fargo parking structure. Mr. Parker indicated that the Council could certainly wait to see if the market changed, but he suspected that any potential buyer Forge found would want the parking spaces and would

probably secure them with a development agreement.

- Councilor David Knecht suggested that this was the ideal project to promote a walkable community. He also thought it would be great for the City to regain parking in the Wells Fargo structure, given that parking is at a premium. He also noted that these would be long-term, stable residents.
- Wayne Parker, CAO, indicated that in the past, the Council has placed a greater emphasis on housing affordability as opposed to income-restrictive housing. He did not want this proposal to come across as sounding contrary to what the Council has historically wanted. Mr. Walter noted that Cowboy Partners on 300 West has been successful with 30% income-restricted units and it has been a great addition in downtown Provo.
- Councilor David Harding clarified that the Council was not selling anything; the Council was simply approving the transfer of the parking spaces at this time. Mr. Parker added that he was fairly certain the City could not designate specific parking stalls based on the nature of the existing agreement with the Wells Fargo parking structure owners.
- Mr. Vernon clarified that once PCHA had secured their LIHTC, they would prepare a relinquishment document to return the parking spaces to the City's control, which would also relieve PCHA of the monthly cost associated with the spaces.
- Mr. Harding noted that the Downtown Parking Committee was working on a proposal for a parking policy in downtown Provo. He felt this proposal was consistent with the direction the committee was taking.

Presentation only. This item was already scheduled for the Council Meeting on October 8, 2019.

Closed Meeting

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with § 52-4-204 and 52-4-205 et. seq., Utah Code. ***None requested.***

Adjournment

Adjourned by unanimous consent.