



PROVO MUNICIPAL COUNCIL Work Meeting Minutes

1:00 PM, Tuesday, November 19, 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 at the meeting:

Council Chair David Harding, conducting
Council Vice-chair Kay Van Buren
Councilor Gary Winterton
Councilor David Sewell
Councilor David Knecht
Councilor George Stewart
Councilor George Handley, arrived 1:03 PM
Mayor Michelle Kaufusi, arrived 1:25 PM

Prayer

The prayer was given by Jake Stephenson.

Business

1. A presentation regarding Utah Valley University's Vision 2030 Plan. (19-124) ([0:23:52](#))

Cameron Martin, UVU Vice President of University Relations, introduced several colleagues: Steve Anderson, Director of Community and Government Affairs; and Stephen White, Associate VP of University Relations. Dr. Martin shared background information about UVU's distinctive mission. With Utah County growth projected to increase dramatically in the coming decades, UVU hopes that Provo can be a strategic partner in facilitating growth. Dr. Martin expressed appreciation for Provo's collaboration with the UVU flight school.

Dr. Martin outlined the various strategies that are part of their Vision 2030 plan and related priority initiatives. The report is available online: uvu.edu/vision2030. UVU serves Utah, Wasatch, and Summit counties with a few separate campus locations. They hope to continue to expand their offerings along the Wasatch front, utilizing the connectivity of Frontrunner to their coordinated campuses. UVU is a teaching institution, rather than one with a research focus, and student success is at the heart of their mission. Dr. Martin shared some demographics of the UVU student body population and identified the university's goals for student achievement.

Councilor David Knecht asked how many UVU professors have professional experience in the fields they instruct. Dr. Martin shared details of the composition of UVU faculty, noting that the Woodbury School of Business had professional, track, and tenured positions. This allows a

unique balance between academics and professionals, which enriches the student experience. They typically aim for a 50%-50% ratio of tenured to adjunct faculty, which allows them to adapt to demand while having a solid foundation of tenured faculty members. Dr. Martin expressed appreciation for Provo's leadership and invited the Council to continue to engage with them as community partners. *Presentation only.*

2. A presentation regarding the financial audit. (19-134) (0:04:15)

Jeff Miles, Audit Partner at HBME, presented. Mr. Miles shared an update on the progress of the audit. Mr. Miles shared details about the State Auditor's risk assessment, which has placed a priority on the City's preparation against fraud risk. HBME conducts an annual audit to ensure that the City's financial statements and accounting are financially correct and prepared properly. Mr. Miles noted the distinction between their audit versus an internal audit function that examines a city's processes, procedures, and efficiencies. Mr. Miles noted that Provo City was a step ahead, due to its separation of duties in the Finance division, which create some internal controls. He also noted that the City has been very proactive with its purchasing card process.

John Borget, Administrative Services Director, shared that the fiscal year 2020 budget allocated some funds for an internal audit. He suggested an audit committee could help guide that process. Councilors discussed the formation of an audit committee and shared comments. Several Councilors supported creating the committee at the beginning of the new year, with the new Councilors in place. David Shipley, the new citywide Council member, who has a strong financial background, received a strong recommendation from several Councilors to serve on the forthcoming audit committee. Others noted that the audit committee should be separate from the budget committee and focus only on the process, not the policies governing it. A mission statement would help to define the scope and direct the work of an internal audit. Councilors also discussed selection of members; some suggested Councilors as voting members, with support from a few community members and a member of the Administration. *Presentation only.*

3. A discussion regarding updates to the Wastewater Impact Fee Facility Plan. (19-138) (0:52:45)

John Borget, Administrative Services Director, presented. Mr. Borget presented an update to the Council regarding several documents that relate to the City's impact fee plans. The Council had adopted new impact fees in the spring, which went into effect in July 2019. Mr. Borget explained that their purpose was not to propose changes or an increase to the impact fees, but to have the Council approve changes to the documents representing how impact fees would be used, the Impact Fee Facility Plan and Impact Fee Assessment (IFFP and IFA). Following major decisions regarding the location of the City's new wastewater treatment plant, there had been related adjustments made for several major projects in the City. Mr. Borget highlighted new items:

- 600 West (related to The Mix)
- East Bay Boulevard and Plant Lift Station (related to the medical school)
- Force Main, Southwest lift station, parallel 36-inch sewer line (related to west side)

Councilor David Harding asked about the increase from \$76 million to \$88 million and how the additional \$12 million was to be funded without adjusting rates. Mr. Borget explained that the

increases were related to the medical school and The Mix and would be funded by those projects through impact fee credits (repaid by developers as their projects advanced). Mr. Harding reiterated concern about such a large change so soon after the IFFP had been adopted.

Dave Decker, Public Works Director, offered additional clarification about the funding for the wastewater treatment plant. Only a portion of the treatment plant was attributable to new development; as previously established, this was being funded by a combination of state loans and rates, rather than bonding. The items added were related to new development and how it integrated into the wastewater system with the new treatment plant.

Wayne Parker, CAO, commented on the process of impact fee studies and review. Several years ago, the City had changed tacks and rather than assessing impact fees in bulk, the Administration would examine one third of the fees every two years. The wastewater capital facilities plan is among the oldest upon which they based impact fees, they would like to update that sooner, and then continue to do so every two years. This update was a way to bridge the gap as an interim step, rather than waiting to update impact fees until after a new master plan was adopted.

Councilors shared additional comments on the proposed change. Councilor Kay Van Buren was concerned that the impact fees had only recently been put in place and the IFFP was now being revised. Mr. Decker clarified that the medical school and The Mix had not been conceived of in 2013; these projects were not accounted for in the last wastewater master plan, as there had not been plans to densify those areas at the time. Mr. Decker explained the process Public Works used in evaluating current projects and how to identify the infrastructure needs. The medical school infrastructure plans had come forth after the IFFP had already been developed, so they had anticipated that changes to it would be needed. Mr. Borget shared more details about the consultants the City uses when updating master plans. ***Presentation only. This item is scheduled for the Council Meeting on December 10, 2019.***

4. A presentation regarding the Utah Valley Hospital Expansion Project. (19-122) (1:10:10)

Kyle Hansen, Utah Valley Hospital Administrator, presented. Mr. Hansen shared updates on several projects at the hospital, including the hospital replacement and several of their community programs. The hospital replacement added more square footage and better utilized the hospital's large campus. The pedestrian bridge across 500 West was anticipated to be built in spring 2020. They will continue to have a focus on outpatient services in outside settings; service needs will continue to increase as the population grows.

Councilors asked questions of Mr. Hansen, including:

- Councilor David Knecht asked about plans with the School District for Fox Field. Mr. Hansen explained the hospital did not have formal plans, but they are interested in those properties given they are adjacent to the current campus. The hospital had several lots used at present for staging, which did provide them some expansion paths for the future.
- Councilor Gary Winterton asked how the hospital worked with the City. Mr. Hansen explained that they hope to be strategic with planning facilities; they preferred keeping people as close to home as possible when providing care. Mr. Hansen said the hospital

was very interested in future plans for 800 North as that would provide better access. Mr. Winterton expressed appreciation for the hospital’s partnership on infrastructure.

- Cliff Strachan, Council Executive Director, asked about access for emergency services. Mr. Hansen said they have additional enhancements planned for 300 West to improve access to the emergency room.

Mr. Hansen shared details about the community benefits of the hospital and charity care provided. In 2018, roughly 31,000 individuals received charity care, which had an impact of \$36 million in charity care and an even larger community benefit and impact. Mr. Hansen shared some of the priorities and needs in the communities. Psychiatry continued to be a difficult specialty to recruit; nearly 1 in 5 patients in the ER came in with a mental health issue. Mr. Hansen shared details about plans to address this gap in service and care, which they have trialed in other facilities with a behavioral access center. *Presentation only.*

5. A discussion regarding the authorization of a Section 108 loan agreement with the U.S. Department of Housing and Urban Development to fund infrastructure for the airport. (19-136) ([1:33:39](#))

Gary McGinn, Community and Neighborhood Services Director, presented. Mr. McGinn shared background information on this loan agreement. The Council passed a resolution in 2017 to authorize an application to the U.S. Department of Housing and Urban Development (HUD) for this Section 108 loan, which would fund infrastructure improvements at the Provo Airport. The loan has been awarded to the City and this is the next step in the process to finalize the loan documents. A resolution authorizing the execution of the loan agreement will be on the agenda for the Council Meeting on December 10, 2019. *Presentation only.*

6. A discussion regarding recycling in Provo City. (19-137) ([1:35:45](#))

Bryce Rolph, Sanitation Manager, presented. Mr. Rolph outlined changes to the recycling market and shared details from contamination audits. Data in Utah shows that areas of higher socio-economic status tend to have lower rates of contamination. Provo is part of the South Utah Valley Solid Waste District (SUVSWD), which reports a 41.92% rate of contamination for the entire district, versus Alpine at 22% or Centerville at 15% contamination. Mr. Rolph shared a more detailed explanation of what constitutes contamination and how the deferral process for contaminated product ends up costing cities more money. Mr. Rolph highlighted several specific examples from contamination audits performed by Sanitation staff in various areas of Provo.

Price increases at the local recycling processing center may result in rate increases at SUVSWD. The current cost for a curbside recycling can in Provo is \$7.70 per month. Increasing the monthly rate to \$7.97 would bring Provo’s recycling program back into line with actual costs. Mr. Rolph noted that there was not a significant difference in operational costs for moving from biweekly to weekly pickup, but that change has provided a large benefit to residents. Of 18,500 total sanitation customers, 10,808 utilized the curbside recycling program.

Councilors and Public Works staff discussed various recycling initiatives that other cities were pursuing, versus staying the course with the “top 10 in the bin” program Provo currently used.

The group favored staying the course over introducing changes and narrowing the recycling program. Mr. Rolph felt that education initiatives to engage residents in reducing contamination would have the most significant impact. Mr. Rolph also noted several changes to the market that were coming to Utah that would make a big difference for the recycling market:

- In May 2020, Waste Management planned to open a state-of-the-art material recycling facility in Salt Lake. The current facility could process a maximum of 24,000 tons per year, while the new facility could process at minimum 30,000 tons per year. The facility would be equipped with six optical sorters, which would allow for a better end product that complied with the National Sword standard (what China was asking for).
- Crossroads Paper Mill would open in spring 2022 and use mixed paper and cardboard.
- Western Metals was a current facility that takes scrap metal.

Councilors discussed possible education initiatives with Public Works staff, including:

- Education and consistent messages on how to clean up contamination (no plastic bags, no food-contaminated items, clean food and beverage cans/bottles)
- City audit and tagging of recycling bins in violation
- Target certain areas with flyers and marketing, then assess impact after several months
- Competitive approach with other cities in SUVSWD
- Channel 17 videos on recycling contamination audits
- Collaborate with the Sustainability Committee, BYU, and community events
- Sticker or magnet with recycling information for consumers
- PR campaign with City PIO (public information officer) organization

Brian Torgersen, Public Services Division Director, shared insight on the benefits of having a curbside program, which allowed the City more control in conducting audits of recycling cans. He commended the Sanitation staff, who were invested in Provo's success in reducing recycling contamination. Mr. Rolph noted that this is more difficult to do in large bins, as it is easier to deposit garbage. The large dumpster-sized bins were removed from Fort Utah Park due to high rates of contamination. This topic would be discussed again at a later date. *Presentation only.*

Policy Items Referred from the Planning Commission

7. **An ordinance amending the West Gateway Zone to better meet the purpose and objective of the Zone. Dixon and Franklin Neighborhoods. (PLOTA20190376) ([2:32:52](#))**

Brian Maxfield, Planning Supervisor, presented. He outlined the changes to required setbacks and answered several questions from Councilors on the change (the staff recommendation was for 3' setbacks, but the Planning Commission recommended 10' setbacks). This area is a commercial zone, but the changes would facilitate additional mixed uses to create more of a gateway into the City. Councilors asked additional clarifying questions about several items in the proposed amendment, which Mr. Maxfield addressed in brief. *Presentation only. This item was already scheduled for the Council Meeting on November 19, 2019.*

8. **An ordinance 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 Res. (HDR) and Med Dens. Res. (MDR) at 650 N 100 W. North Park Neighborhood. (PLRZ20190173) ([2:55:53](#))

Dustin Wright, Planner, highlighted a map illustrating the proposed HDR and MDR zones, noting that transitional standards would apply for a high-density project, given how the block has already been developed. The HDR portion of the project will have one-bedroom units, with 1.6 parking spaces per unit (which is above the required amount). The project is close to downtown and UVX, so parking is not anticipated to be an issue. The neighborhood chair shared a positive report from the neighborhood meeting. Mr. Wright shared additional details about the RC zone and its intended use; it plays an important role in preserving single-family homes in pioneer neighborhoods, which is not the case on this particular block. *Presentation only. This item was already scheduled for the Council Meeting on November 19, 2019.*

Redevelopment Agency

9. Resolutions authorizing the RDA to enter into an Interlocal Agreement with Provo City, Utah County, the Provo School District, and the Central Utah Water Conservancy District authorizing the use of Tax Increment Funding. (19-130 to 19-133) ([3:05:16](#))

David Walter, Redevelopment Agency Division Director, presented. These items were all related to the Mill Race project. The owner participation agreement was presented previously and has been approved. These interlocal agreements were part of that larger discussion and have been presented to the various taxing entities who are participants in the tax increment financing for the project. In response to a question from Councilor David Harding, Mr. Walter outlined the projected public benefit of the project: revitalization of the entire block, maintenance of the pedestrian bridge which will cross the railroad tracks and 600 South, 20 parking stalls for use during non-peak office use (evenings, weekends, off-times). The resolution would put in place a cap on the duration of the tax increment funding, as well as a cap on the amount. The proposed participation rate for the various taxing entities were:

- Provo School District: 7%
- Utah County: 50%
- Provo City: 95%
- Central Utah Water: 75% (tentative)

Presentation only. This item was already scheduled for the November 19, 2019 Council Meeting.

10. A resolution designating a survey area, authorizing preparation of a draft Community Reinvestment Project Area Plan and Budget, and authorizing & directing all necessary action by the Redevelopment Agency, staff, & legal counsel. (19-135) ([3:09:42](#))

David Walter, Redevelopment Agency Division Director, presented. Provo City has been approached by Qualtrics about exploring a survey area for a community reinvestment project. Qualtrics plans to expand their office space (including making the space more efficient for the operation), build structured parking, and create temporary parking during construction. They planned to expand from 385 jobs to 2,245 jobs (at an average wage of \$87,000/year) in the next 10 years. These types of household-sustaining jobs were a positive development for the city. After their recent acquisition by German tech company SAP, any signals from the State and City of strong community support and investment were significant.

The proposed survey area was for the entire Riverwoods, but it was anticipated that the survey area would be scaled back to a smaller project area. Councilor Kay Van Buren expressed concern about designating such a large survey area and the signal it would send about inviting more opportunities for tax-increment financing in that area. Wayne Parker, CAO, and Mr. Walter shared comments on the process, which was intended to keep as many options as possible open initially. The Council would be involved in the future designation of a project area. Mr. Parker also noted that for an office project of this nature, infrastructure was already in place, so that limited the City's available tools to primarily tax incentives. Mr. Parker noted that there may be significant repercussions to turning down this request; he illustrated with a comparison to the Duncan Aviation project and the City's infrastructure investment, which amounted to much more than this Qualtrics proposal for a fraction of the potential jobs. The Duncan Aviation project was a great opportunity, but the Qualtrics proposal had many promising elements that would have a significant return on investment (ROI) for Provo. Qualtrics started in Provo and has experienced its multi-billion dollar growth in Provo; it would be amazing to keep their headquarters in Provo.

Dixon Holmes, Assistant CAO, shared insights about the potential repercussions of turning down the proposal; job growth would likely happen elsewhere and consequently, potential employees would be less likely to live in Provo. Mr. Holmes agreed that he wished corporations did not make such requests of cities, but it was the way of corporate America and was what would give Provo a competitive edge. Mr. Holmes also commented on the shuttles the Timpanogos Technology Park runs between the business park and Frontrunner for employees.

Councilors shared comments and feedback on the proposal:

- Councilor George Stewart thought this was a fantastic deal, particularly with the prospect of job creation at those salaries. Mr. Stewart expressed appreciation for Qualtrics' role in and support of the Provo community.
- Councilor George Handley was supportive of the proposal. He thought Qualtrics was a great company and a real asset to the community. He also commented on transportation access and a desire for this area to be well-connected as it experienced growth. Several other Councilors echoed this sentiment.
- Councilor David Harding shared mixed thoughts; this was a fantastic opportunity, but he was concerned about continuing to put tax dollars toward redevelopment when many residents were feeling the added tax burdens of the last few years.
- Several Councilors commented on the ramifications of giving up the tax dollars, noting that there would be a long-term benefit, but acknowledging the short-term challenges.
- Mr. Handley felt that a primary concern heard in the community was the need to invest in Provo's economic well-being. He did not think TIF was the right solution every time, but he agreed with other Councilors that this felt like a very special case due to the kind of economic sustainability it would bring to the community.
- Councilor David Sewell felt that this proposal would have a high ROI, both in the form of property tax increases (slight increase over 12 years and a large increase after 12 years) and in drawing high-paying jobs to Provo. Mr. Sewell noted that some benefits were harder to measure; there were obvious benefits to raising the average income in Provo, but that could have a spinoff effect of drawing other businesses to Provo.
- Mr. Van Buren still expressed that he had a hard time giving up essential tax dollars in the form of TIF to a company that was already so successful.

Please Note – These minutes have been prepared with a timestamp linking the agenda items to the video discussion. Electronic version of minutes will allow citizens to view discussion held during council meeting.

- Cliff Strachan, Council Executive Director, noted that if Qualtrics and its jobs were to leave, it would be difficult to keep the Riverwoods vibrant.

The question before the Council that evening was whether to authorize staff to proceed with creating a survey area and beginning the related study of the area. There would be a number of other future decision points, as this was simply the first step in a lengthy process. ***Presentation only. This item was already scheduled for the Council Meeting on November 19, 2019.***

Policy Items Referred from the Planning Commission

11. An ordinance adopting a new Provo City Moderate Income Housing Plan as an element of the General Plan. Citywide Application. (PLGPA20190194) ([3:48:27](#))

Brian Maxfield, Planning Supervisor, presented. The Moderate Income Housing Plan (MIHP) is a state-mandated requirement. The State Legislature has added several requirements to the plan since the City adopted it in 2016. The MIHP is different than the Moderate Income Housing Report, which the State requires cities to update ever two years, soon to be annually. The MIHP outlined the City’s progress with a number of goals set by the State to meet current housing needs and forecast strategic moves for the future.

Mr. Maxfield relayed some of the concerns raised by the Planning Commission about neighborhood plans and how they fit into the overall city strategy for housing. Councilors shared comments on neighborhood plans, several noting that they had not observed excessive NIMBY (“Not in My Backyard”) sentiments in neighborhood plans. Rather, these plans had seemed to have the effect of allowing neighborhoods to have some buy-in with broader city goals. The intent of the ordinance on the Council Meeting that evening was for the Council to adopt the updated plan in order to submit the plan to the State prior to a December 1 deadline. This would allow Provo to be eligible for various housing funds granted by the State. ***Presentation only. This item was already scheduled for the Council Meeting on November 19, 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.