

NOTICE AND AGENDA

SOUTH OGDEN CITY COUNCIL MEETING

Tuesday, May 21, 2013 – 6:00 p.m.

Notice is hereby given that the South Ogden City Council will hold their regular City Council Meeting, Tuesday, May 21, 2013, beginning at 6:00 p.m. in the Council Chambers located at 3950 So. Adams Avenue, South Ogden, Utah. Any member of the council may be joining the meeting electronically.

I. OPENING CEREMONY

- A. **Call to Order** – Mayor James F. Minster
- B. **Prayer/Moment of Silence** -
- C. **Pledge of Allegiance** – Council Member Russell Porter

II. PUBLIC COMMENTS – This is an opportunity for the public to address council members regarding issues or concerns that are not on the agenda for public discussion.

Please limit your comments to three minutes.

- A. Recognition of Scouts/Students

III. PUBLIC HEARING

- A. To Receive and Consider Comments on Proposed Changes to Business License Fees
- B. To Receive and Consider Comments on the Proposed Adoption of a Good Landlord Program

IV. CONSENT AGENDA

- A. Approval of May 7, 2013 Council Minutes
- B. Set Date for Budget Work Session (May 28, 2013 at 6 p.m.)

V. PRESENTATION

- A. Information on Upcoming Election for Weber County Library Bond
- B. LeAnn Povey Jackson- CTC Update

VI. DISCUSSION / ACTION ITEMS

- A. Consideration of **Ordinance 13-11** – Providing for an Appeals Hearing Officer Rather Than an Appeals Board
- B. Consideration of **Ordinance 13-12** -- Approving a Franchise Agreement with Questar Gas Company
- C. Discussion on Business License/Good Landlord Program Fees
- D. Amphitheater Use

VII. DEPARTMENT DIRECTOR REPORTS

- A. Parks and Public Works Director Jon Andersen – Project Updates

VIII. REPORTS

- A. Mayor
- B. City Council Members
- C. City Manager
- D. City Attorney

IX. ADJOURN

Posted and emailed to the State of Utah Website May 17, 2013

The undersigned, duly appointed City Recorder, does hereby certify that a copy of the above notice and agenda was posted at the Municipal Center (1st and 2nd floors), on the City's website (southogdencity.com) and emailed to the Standard Examiner on May 17, 2013. Copies were also delivered to each member of the governing body.


Leesa Kapetanov, City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the meeting should notify the City Recorder at 801-622-2709 at least 48 hours in advance.

FINAL ACTION MAY BE TAKEN ON ANY ITEM ON THIS AGENDA



MEMORANDUM

Date: May 17, 2013
To: Mayor and City Council
From: Matthew J. Dixon, City Manager
Re: **May 21, 2013 Council Meeting**

Below is a brief memo outlining the agenda items that are scheduled for your consideration during next Tuesday's city council meeting. If you have questions or need additional information on any of the agenda items please contact me.

Public Hearing

- *Discussion on Business License Fees.* Staff has prepared a recommendation on the new business licensing fees (attached). This meeting will be to enable the public to comment on the proposed business license fees. A few important things to remember regarding business licensing:
 1. UCA §10-1-203. State law states that "...the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance." Additionally, "the amount of a fee shall be reasonably related to the costs of the municipal services provided by the municipality."
 2. Historical Information. The last time the city conducted a review of the city's business license fees was in 1998 (15 years ago). The administrative and disproportionate service costs for the city to regulate and provide services to the businesses has increased over the last 15 years, without any increase in licensing fees.
 3. Base Administrative Costs. The study looks at two costs associated with providing business license services. The first costs are called Base Administrative Costs. These are costs include costs incurred by the city for all types of businesses. These costs include such things as the costs associated with verifying, processing and maintaining business licenses. Base costs also include collection of fees and business licensing reporting etc. Base costs are different for new business license applications and for renewals. For example, the base administrative costs for a new commercial business license is \$233 but the base costs for a renewal are only \$26. Base administrative costs for a home occupation business is \$48 with renewal costs being \$32.
 4. Disproportionate Service Costs. The second type of costs analyzed in the study are disproportionate service costs. There are two types of disproportionate service costs. The first are the disproportionate regulatory costs and the second type are the disproportionate service costs. Regulatory costs include similar costs to those considered in the base administrative costs that go beyond the services common to all

types of businesses. Disproportionate service call costs include costs of services for police, fire, and EMS calls above the base level of services provided by these departments.

5. Proposed Business License Fees. A list of the business categories and proposed license fees are included with this packet. Copies of the proposed fees and letters explaining the contemplated increases were mailed out to all business owners and potential landlords in the city.
6. Good Landlord Program Fees. In addition to analyzing the costs associated with the current businesses in the city, the study also considered the costs associated with licensing all residential rental properties. The same methodology, as was described above, was followed. The proposed fees associated with residential rentals and the Good Landlord Program (GLP) are below:

Rental Type	Fee w/out GLP	Fees with GLP
Single Family Rental	\$175	\$ 75
Duplex	\$225	\$100
3+ Units	\$125+\$50/unit	\$100+\$10/unit

7. Large increase phasing. For businesses with fees increasing more than \$500, the city is recommending a two year step increase. This will allow businesses the opportunity to pay half of the increase this fiscal year and the full amount in the next fiscal year.

Staff has also included drafts of the letters and information that will be mailed to each business owner and landlord throughout the city. This information will also be on the city’s website, cable channel, and newspaper.

- *Good Landlord Program.* Although the fees for the Good Landlord were discussed above, there are some important things to keep in mind regarding the Good Landlord Program (GLP). First, the city will be flexible in working with landlords in getting signed up and started in the program. Second, there are many “unknowns” about the impacts the administration of this program will have on staff and in lieu of hiring additional personnel, I am recommending the city hire an intern throughout the summer. These resources will be proposed in the new budget. This intern will work to contact landlords, educate them about the program and assist them in getting signed up. The intern will also insure the flow of information and records works effectively.
- *Ordinance 13-10 – Amending the City Code to Replace the Board of Adjustment with a Land Use Hearing Officer.* Several years ago, as a part of some large legislative changes to the states land use laws, city’s were given the authority and liberty to determine how municipal land use decisions and appeal hearings are to be determined. One of the challenges of having a Board of Adjustment as the city’s land use appeal authority is the infrequency of appeals and the challenges of keeping a Board of Adjustment trained and ready to properly fulfill their responsibilities. Land use appeals can be very complex and are controlled, to a large extent, by legislative requirements/conditions. It is imperative that the appeal authority gets these decisions right. Staff recommends that the city would be best served by contracting with a land use attorney who will hear and determine land use appeal instead of a Board of Adjustment. Ken Bradshaw will present this agenda item and answer any questions regarding the same.
- *Ordinance 13-11 – Approving Franchise Agreement with Questar Gas Company.* It has come time to renew our franchise agreement with Questar Gas Company. This agreement, like all franchise

agreements, allows Questar Gas the right to utilize the city's right of way (public streets, etc.) for natural gas-related infrastructure. The agreement addresses the term (20 years plus renewals), relocation of their infrastructure, when necessary, and other legal necessities. Ken will provide any clarifying information on this.

- *Amphitheater Use.* This agenda item is for the council to discuss how they would like to see the amphitheater used and whether or not they want to change fees for the public to use the facility. Staff is still gathering examples of what other cities charge for similar facilities. The main point for this meeting will be for the council to suggest ways in which you would like to see the facility used.

Other Business

Budget Work Meeting. Staff would like to take advantage of Tuesday, May 28 to hold a budget meeting. We will be reviewing the budget and asking for feedback from the city council. One of the tasks will be to tie the budget and the strategic plan together to be sure the council's goals have adequate resources allocated to them. Staff will be sending out a work meeting packet next Friday in preparation for the Tuesday, May 28 meeting.

To the South Ogden City Mayor, City Council, and Administrators,

I recently received the letter about the proposed business license fee increase for South Ogden City. I will be out of town beginning on May 20 or I would like to have addressed this matter personally. While I understand the need to raise prices from time to time, a fee increase of more than 150% seems excessive. I can only comment as to the restaurant fee, but no doubt, other businesses feel the same way.

Within the three categories given as the basis for these fees (base administrative costs, disproportionate regulatory costs, and disproportionate service call costs), I would be interested to know specifically what justifies an increase of this size. Again, speaking only as a restaurant owner, I do not see how another \$480.00 dollars on top of the current \$295.00 is needed from my business to cover the services I receive.

Hopefully the city recognizes the benefit that businesses, both large and small, are to the community, not just for the goods and services provided but for the tax revenue we generate. It seems this fee increase may have more to do with increasing revenue for the city than making sure businesses pay their fair share, and, this "independent study" provides an easy justification for it. In summary, it feels as though the City's businesses are being asked to disproportionately cover the City's full operating costs because that is much easier to stomach than to propose a tax increase or make difficult cuts.

I don't pretend to know the inner workings of city government nor am I opposed to a small fee increase if it is legitimate but with a business as small as mine every penny counts. I understand that these are difficult times but it seems like maybe businesses are being unfairly targeted to fix some budget problems. As a final thought remember this, businesses are a benefit to our city not a burden!

Jeff Criddle

Criddle's Café

South Ogden Resident

Leesa Kapetanov

From: Colleen Hansen <chansen@valleyofficesystems.com>
Sent: Tuesday, May 21, 2013 2:19 PM
To: Leesa Kapetanov
Subject: business license fees

Leesa,

I read through the letter that you sent regarding business license fees and was of course not pleased to see that the increase in fee under the classification where my business is listed will go up from \$114 to \$400. That's quite an increase, about what, 350%? I looked through my paperwork for Utah locations to compare the fees and in Logan I pay \$100. When I called the City of Ogden, since my business operates with only outside salespersons and the location is used about 90% for repair and service they would classify it under a service category and my fee would be \$188, including the disproportionate fee.

The license application for Logan has different categories under the business description. Two that may be beneficial for your city to consider are the following: Sales/Service: customers typically come on-site and Sales/Service: customers rarely come on-site; and Level 1 - less than 10,000 sq feet/Level 2 - more than 10,000 sq feet. These categories better define the differences that exist in retail business and may be worth your city looking at.

Unfortunately, I won't be able to attend your City Council meeting this evening to give my input, hopefully if it would be beneficial, you would be willing to pass it on. We are currently looking for a new office location. The increased fee will definitely be a factor in where we choose to relocate. If we choose a location within your city, I will ask that my business be reclassified from retail to Business, Professional & Contracted services to bring it more in line with the business activities conducted there. Thank you for your time.

Colleen Hansen
Vice President

Colleen Hansen
Vice President





South Ogden City Business License Fee Study

DRAFT



ZIONS BANK[®]
Public Finance

February, 2013

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EXECUTIVE SUMMARY

Zions Bank Public Finance (“ZBPF”) was retained by The City of South Ogden (“South Ogden” or the “City”) to complete an analysis of commercial, home occupation, and residential rental business licensing costs that meet the requirements of Utah law as established by Utah Code Annotated §10-1-203. The law states that “...the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance¹.” Additionally, the law states that “the amount of a fee shall be reasonably related to the costs of the municipal services provided by the municipality².” In other words, business licensing fees charged may not exceed the amount necessary to reasonably regulate business activity, including the costs of disproportionate and enhanced levels of municipal services required by some business classes, geographic locations, number of business employees, etc. Therefore, by calculating the City’s total business licensing costs, this study will determine the maximum business license fees allowable under current State law. This study does not recommend business licensing fees, but rather calculates the City’s business licensing costs and therefore, the maximum business licensing fees allowable by law. Factors the City may want to consider as they establish new business license fees include business classes the City would like to encourage, businesses classes that benefit the public good, business classes that higher generate higher tax revenue compared to other business classes and overall economic development policy.

BUSINESS LICENSING COSTS

Cities are allowed under Utah Code to collect disproportionate business licensing fees for the following municipal services:

- Police
- Fire/EMS
- Storm Water Runoff
- Traffic Control
- Parking
- Transportation
- Beautification
- Snow Removal

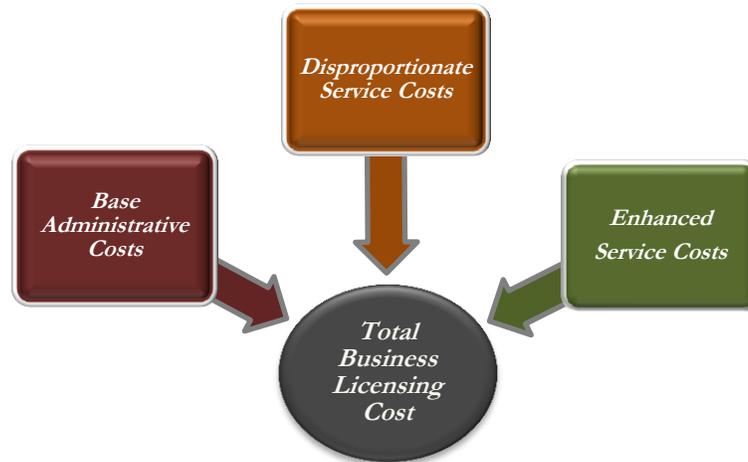
South Ogden has chosen to only consider the disproportionate costs for police, fire and EMS services to City businesses and residential rentals in this study.

South Ogden City currently requires all commercial and home occupation businesses to obtain a business license. The City does not currently require residential rental businesses to obtain a license. However, at the City’s request, this study analyzes the cost to the City for all types of residential rentals.

¹ Utah Code Annotated §10-1-203(2)

² Utah Code Annotated §10-1-203(5)(c)(ii)

This study considers the following three categories of business licensing costs to South Ogden City:



The three categories - base administrative, disproportionate service and enhanced service business licensing costs added together equal the maximum amount the City may charge for business licenses.

BASE ADMINISTRATIVE COSTS

Base administrative costs include the costs common to all types of businesses incurred to register, oversee, maintain records and regulate licensed businesses within the City. Base administrative costs include the following standard labor costs: i) business license application and registration process; ii) issuance of license; iii) collection of fees; iv) maintenance of records; v) preparation of business reports and required verifications; and vi) regulatory inspections.

COMMERCIAL BUSINESSES

The City of South Ogden (“South Ogden” or the “City”) requires all commercial businesses to be licensed. The base administrative cost for a commercial new application business license is \$233 and the base administrative cost for a renewal commercial license is \$26.

TABLE E.1: COMMERCIAL BUSINESS BASE ADMINISTRATIVE COSTS

Base Administrative Costs Commercial Businesses	
Application Type	Base Cost
Commercial New Application Base Administrative Cost	\$233
Commercial Renewal Base Administrative Cost	\$26

The base administrative cost to issue a fireworks license is \$121. The base administrative cost to issue a seasonal license and vendor license is \$16 and \$78 for a solicitor license.

TABLE E.2: "OTHER" COMMERCIAL BUSINESS LICENSE BASE ADMINISTRATIVE COSTS

Base Administrative Costs Other Commercial Licenses	
Application Type	Base Cost
Fireworks	\$121
Seasonal & Vendor License	\$16
Solicitor License	\$78

RESIDENTIAL RENTALS

South Ogden City does not currently license residential rentals and therefore, there is currently no base administrative cost to the City for residential rentals. If the City chooses to license residential rentals, the base administrative cost for a residential rental license ranges from approximately \$52 - \$346 for new applications and \$49 - \$342 for renewal licenses. If the City chooses to license all residential rentals, including single family rentals, the cost of administering a Good Landlord Program is divided among more licenses, compared to licensing only 2+ unit complexes, 3+ unit complexes, etc., resulting in a lower cost per license.

TABLE E.3: RESIDENTIAL RENTLA BASE ADMINISTRATIVE COSTS

Base Administrative Costs Residential Rentals		
Application Type	New Application	Renewal
All Residential Rentals	\$52	\$49
Duplexes and 3+ Apartments	\$65	\$62
Apartments - 3+ Units	\$129	\$125
Apartments - 5+ Units	\$254	\$250
Apartments - 12+ Units	\$283	\$279
Apartments - 24+ Units	\$346	\$342

HOME OCCUPATION BUSINESSES

South Ogden City requires all home occupation businesses to be licensed. The cost for a new application home occupation business is \$48 and the annual cost for a renewal home occupation business is \$32.

TABLE E.4: HOME OCCUPATION BASE ADMINISTRATIVE COSTS

Base Administrative Costs Home Occupation Businesses	
Application Type	Base Cost
New Application Home Occupation	\$48
Renewal Home Occupation	\$32

DISPROPORTIONATE SERVICE COSTS

There are two types of disproportionate service costs – (1) disproportionate regulatory costs and (2) disproportionate service call costs. Disproportionate regulatory costs include the cost of services for business-related paperwork, administrative oversight, special regulations and inspections that are in addition to the services common to all businesses. Disproportionate service call costs include the cost of services for police, fire and EMS 911 service calls above the base level of service provided by these departments.

DISPROPORTIONATE REGULATORY SERVICE COSTS

Disproportionate regulatory service costs for commercial businesses in South Ogden City include fire inspection costs and additional time spent by the business licensing department to comply with State regulations for smoke shops. All new businesses in South Ogden are inspected by the Fire Department. Therefore, the base administrative cost for a new application includes fire inspection costs common to all types of businesses. Disproportionate regulatory fire inspection costs for a new application shown in table E.5 include fire inspection costs for certain classes of business that require additional fire inspection time compared to the time included in the base administrative costs for a new application.

While the majority of businesses in South Ogden are inspected on a regular basis, the Fire Department does not inspect all businesses such as car washes after the initial inspection. Therefore, no fire inspection costs are included in the base administrative costs for renewal licenses and all fire costs for renewal licenses are included as disproportionate regulatory costs.

Table E.5 summarizes the disproportionate regulatory costs for commercial businesses.

TABLE E.5: COMMERCIAL BUSINESS DISPROPORTIONATE REGULATORY COSTS

Disproportionate Regulatory Costs Commercial Businesses		
Business Class	New Application License	Renewal License
Athletic Club	\$611	\$407
Assisted Living	\$107	\$155
Automotive	\$204	\$102
Banks	\$102	\$77
Business, Professional & Contracted Services	\$0	\$51
Big Box	\$611	\$407
Commercial Day Care/Pre-School	\$0	\$77
Convenience Store	\$204	\$203
Health Centers	\$78	\$140
Large Grocery	\$407	\$305
Pawn Shop	\$0	\$51
Personal Services	\$0	\$51
Private Club	\$204	\$203
Private School	\$204	\$203
Restaurants	\$204	\$203
Retail	\$102	\$77
Transitional Rehabilitation	\$107	\$155
Smoke Shop	\$117	\$92

Home occupation day cares are the only types of home occupation businesses requiring a fire inspection. Therefore, the fire inspection costs for home occupation day are included as disproportionate regulatory costs.

Table E.6 summarizes the disproportionate regulatory costs for home occupation businesses.

TABLE E.6: HOME OCCUPATION DISPROPORTIONATE REGULATORY COSTS

Disproportionate Regulatory Costs Home Occupation Businesses		
Business Class	New Application License	Renewal License
Home Occupation Day Care	\$77	\$77

DISPROPORTIONATE SERVICE CALL COSTS

Disproportionate service call costs include the cost of services for police, fire and EMS 911 calls above the base level of service. The base level of service is defined as the annual average³ level of service provided to single family⁴ owner occupied residences. Disproportionate service call costs are in addition to the base administrative and disproportionate regulatory costs for each business class.

Within a business class, there may be a few businesses with a much higher number of services calls compared to the majority of business establishments in that particular business class. These businesses excessively skew the average service call per business and are referred to as statistical outliers. When determining the business license fee for a given business class, it is recommended the City consider setting the disproportionate fee to be on par with the disproportionate costs without the statistical outliers. Utah Code specifies that all businesses within a given business class must be charged the same fee. Table E.7 summarizes the disproportionate police, fire and EMS service call costs⁵ for each commercial business class without outliers.

TABLE E.7: COMMERCIAL BUSINESS DISPROPORTIONATE SERVICE CALL COSTS

Disproportionate Service Call Costs Commercial Businesses				
Business Class	Police	EMS	Fire	Total
Assisted Living (per room)	\$0	\$268	\$44	\$312/room
Athletic Club	\$3,694	\$2,416	\$2,004	\$8,114
Automotive	\$809	\$8	\$0	\$817
Banking/Credit Union	\$1,316	\$3	\$207	\$1,526
Big Box	\$14,254	\$3,292	\$4,002	\$21,548
Business, Professional & Contracted Services	\$126	\$23	\$48	\$197
Car Wash	\$540	\$0	\$0	\$540
Cemetery	\$2,936	\$147	\$0	\$3,083
Convenience Store/Gas	\$2,274	\$285	\$92	\$2,651
Commercial Day Care	\$659	\$0	\$0	\$659
Health Centers	\$2,834	\$6,437	\$1,702	\$10,973
Large Grocery	\$8,643	\$1,472	\$997	\$11,112
Pawn Shop	\$2,732	\$0	\$0	\$2,732
Personal Services	\$67	\$0	\$0	\$67
Private Club	\$489	\$147	\$0	\$636
Private School	\$540	\$54	\$0	\$594

³ Police, fire and EMS call data was averaged over a two-year period - July 2010 – June 2012

⁴ Includes single family detached homes, condos and PUD's

⁵ The costs shown in this table are the disproportionate costs excluding businesses considered as outliers due to their high call volume compared to other businesses in the same business class.

Disproportionate Service Call Costs Commercial Businesses				
Business Class	Police	EMS	Fire	Total
Restaurants	\$757	\$164	\$49	\$970
Retail	\$370	\$28	\$61	\$459
Smoke Shop	\$1,611	\$147	\$0	\$1,758
Storage (per unit)	\$0.41	\$0.04	\$0	\$0.45/unit
Transitional Rehabilitation (per room)	\$0	\$646	\$73	\$719/room

The per unit disproportionate service call cost for single family rentals is \$104 per dwelling and \$9 per unit for rental duplexes. The average disproportionate per unit cost for all apartments with three or more units is \$37.

TABLE E.8: RESIDENTIAL RENTAL HOUSING DISPROPORTIONATE SERVICE CALL COSTS

Disproportionate Police, Fire and EMS Costs Residential Rentals				
Rental Type	Police	EMS	Fire	Total Per Unit
Single Family	\$80	\$24	\$0	\$104
Duplexes	\$9	\$0	\$0	\$9
Apartments (3+ units)	\$28	\$9	\$0	\$37

The study also analyzed the disproportionate per unit cost for varying groups of apartments. As shown in table E.9, on average, the per unit disproportionate cost is higher for larger apartment complexes. The disproportionate per unit cost for apartments with five or more units is \$46; 12 or more units is \$49; and 24 or more units is \$54.

TABLE E.9: RESIDENTIAL RENTAL HOUSING DISPROPORTIONATE SERVICE CALL COSTS

Disproportionate Police, Fire and EMS Costs Residential Rentals				
Rental Type	Police	EMS	Fire	Total Per Unit
Apartments (5+ units)	\$33	\$13	\$0	\$46
Apartments (12+ units)	\$33	\$16	\$0	\$49
Apartments (24+ units)	\$37	\$17	\$0	\$54

Because of the duplication in service calls for home occupation businesses and residential rentals, the City has chosen to allocate the 911 service calls to residential rentals rather than home occupation businesses. Therefore, there are no disproportionate service call costs for home occupation businesses.

ENHANCED SERVICE COSTS

Enhanced service levels reflect a higher level of service for a specific portion of the business community (whether it is a business class, business location, etc.). Examples of enhanced service levels include more landscaping, hanging baskets, more or higher quality signage, increased police patrols (a visible police presence), more frequent snow removal, etc. Generally, these types of services are increased in a particular geographic section of town, such as downtown, or the town center of a resort community but they may also be specific to a particular type of business activity, the number of employees in a company, etc.

South Ogden City currently does not have any geographic areas or business classes for which the City provides enhanced service levels.

TOTAL LICENSING COSTS

The total annual cost for a business license in South Ogden City is comprised of the base administrative, disproportionate regulatory and disproportionate service call costs. The total business license cost is the maximum amount the City may charge for a business license.

This study does not recommend business licensing fees, but rather calculates the City’s business licensing costs and therefore the maximum business licensing fees allowable by law. Factors the City may want to consider as they establish new business license fees include business classes the City would like to encourage, businesses classes that generate higher tax revenue compared to other business classes and overall economic development policy.

Total business licensing costs shown in table E10 are the total costs for a renewal commercial business and home occupation licenses, solicitor, seasonal, fireworks and vendor licenses.

TABLE E.10: TOTAL BUSINESS LICENSING COSTS

Total Business Licensing Costs Commercial and Home Occupation Businesses				
Business Class	Base Cost	Disproportionate Regulatory	Disproportionate Service Call	Total
Assisted Living (per room)	\$26	\$155	\$312/room	\$181 +312/room
Athletic Club	\$26	\$407	\$8,114	\$8,547
Automotive	\$26	\$102	\$809	\$937
Banking/Credit Union	\$26	\$77	\$1,526	\$1,629
Big Box	\$26	\$407	\$21,548	\$21,981
Business, Professional & Contracted Services	\$26	\$51	\$197	\$274
Car Wash	\$26	\$0	\$540	\$566
Cemetery	\$26	\$0	\$3,083	\$3,109
Convenience Store/Gas	\$26	\$203	\$2,651	\$2,880
Commercial Day Care	\$26	\$77	\$659	\$762
Cosmetologists	\$26	\$0	\$0	\$26
Fireworks	\$121	\$0	\$0	\$121
Health Centers	\$26	\$140	\$10,973	\$11,139
Home Occupation	\$32	\$0	\$0	\$32
Home Occupation Day Care	\$32	\$77	\$0	\$109
Large Grocery	\$26	\$305	\$11,112	\$11,443
Pawn Shop	\$26	\$51	\$2,732	\$2,809
Personal Services	\$26	\$51	\$67	\$144
Private Club	\$26	\$203	\$636	\$865
Private School	\$26	\$203	\$594	\$823
Retail	\$26	\$77	\$459	\$562
Restaurants	\$26	\$203	\$970	\$1,199
Smoke Shop	\$26	\$92	\$1,758	\$1,878
Solicitor	\$65	\$0	\$0	\$65
Storage (per units)	\$26	\$0	\$0.47	\$26 + \$0.47/unit
Transitional Rehabilitation	\$26	\$155	\$719	\$181 +

Total Business Licensing Costs Commercial and Home Occupation Businesses				
Business Class	Base Cost	Disproportionate Regulatory	Disproportionate Service Call	Total
				\$719/room
Vendor/Seasonal	\$16	\$0	\$0	\$16

The total cost to license residential rentals is the base administrative cost plus the disproportionate per unit cost. If the City chooses to license residential rentals, it is important to note that “[a] municipality may not require an owner of multiple rental dwellings or multiple buildings containing rental dwellings to obtain more than one regulatory business license for the operation and maintenance of those rental dwellings.”⁶

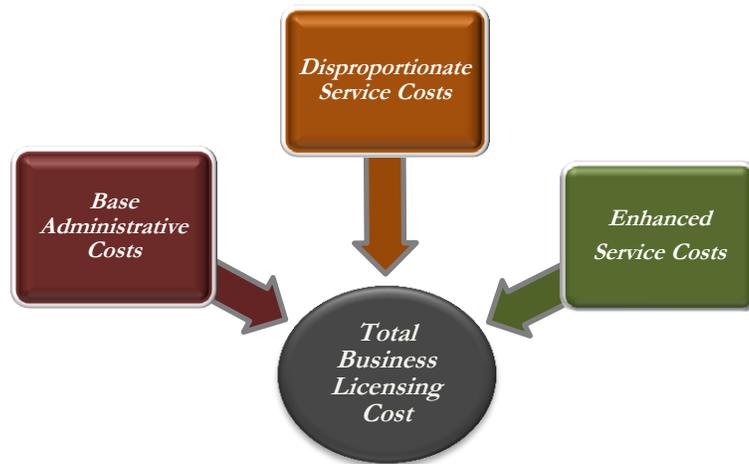
⁶ Utah Code 10-8-85.5(2)(b)

INTRODUCTION

Zions Bank Public Finance (“ZBPF”) was retained by The City of South Ogden (“South Ogden” or the “City”) to complete an analysis of commercial, home occupation, and residential rental business licensing costs that meet the requirements of Utah law as established by Utah Code Annotated §10-1-203. The law states that “...the legislative body of a municipality may license for the purpose of regulation and revenue any business within the limits of the municipality and may regulate that business by ordinance⁷.” Additionally, the law states that “the amount of a fee shall be reasonably related to the costs of the municipal services provided by the municipality⁸.” In other words, business licensing fees charged may not exceed the amount necessary to reasonably regulate business activity, including the costs of disproportionate and enhanced levels of municipal services required by some business classes, geographic locations, number of business employees, etc. Therefore, by calculating the City’s total business licensing costs, this study will determine the maximum business license fees allowable under current State law. This study does not recommend business licensing fees, but rather calculates the City’s business licensing costs using a common baseline. Factors the City may want to consider as they establish new business license fees include business classes the City would like to encourage, businesses classes that generate higher tax revenue compared to other business classes and overall economic development policy.

South Ogden City currently requires all commercial and home occupation businesses to obtain a business license. The City does not currently require residential rental businesses to obtain a license. However, at the City’s request, this study analyzes the cost to the City for all types of residential rentals.

This study considers the following three main categories of business licensing costs to South Ogden City:



The three categories - base administrative, disproportionate service and enhanced service business licensing costs added together equal the maximum amount the City may charge for business licenses in South Ogden.

All businesses in South Ogden have been classified as *Commercial*, *Home Occupation* or

⁷ Utah Code Annotated §10-1-203(2)

⁸ Utah Code Annotated §10-1-203(5)(c)(ii)

§10-1-203(6)

Residential Rental. Utah legislation allows cities wide latitude in defining the business classes and groupings which are most appropriate for each locality. Based on discussions with South Ogden City, *type of business activity* has been chosen as the most accurate means of calculating the true costs associated with various businesses. Therefore, businesses in this analysis are grouped into business classes based on *type of business activity*. Furthermore, Utah law states that “all license fees and taxes shall be uniform in respect to the class upon which they are imposed.” This means that all businesses in the same business “class” must be charged the same fee. Appendix A contains a list of all business “classes” established in South Ogden City.

There are approximately 551 licensed commercial businesses and 204 licensed home occupation businesses in South Ogden.⁹ Additionally, the City has approximately 232 single family rentals, 258 rental¹⁰ duplex units and 42 apartment complexes with approximately 660 units.¹¹

UTAH CODE
§10-1-203.5

South Ogden City does not currently license residential rentals. At the City’s request, this study analyzes the disproportionate cost for all types of residential rentals including single family rentals, duplexes and apartment complexes. Utah Codes states that “[a] municipality may not adopt a new disproportionate rental fee unless the municipality provides a disproportionate rental fee reduction.” A disproportionate rental fee reduction is a reduction of a disproportionate rental fee as a condition of complying with the requirements of a *Good Landlord Program* or some other type of municipal disproportionate rental fee reduction program.

Many cities along the Wasatch Front have adopted a *Good Landlord Program* to reduce the disproportionate cost of residential rentals. A *Good Landlord Program* aims to reduce disproportionate police, fire and EMS service costs to a city by educating landlords regarding the legal and business issues of managing rentals. Additionally, a *Good Landlord Program* offers financial incentives to landlords for participation in the program.

As defined by Utah Code §10-1-203.5(1)(f), a *Good Landlord Program* is a program established by a municipality that provides a reduction in the disproportionate rental fee for a landlord who:

- Completes a *Good Landlord* training program approved by the municipality; or
- Is an exempt landlord;
- Implements measures to reduce crime in rental housing as specified in municipal ordinances; and
- Operates and manages rental housing in accordance with applicable municipal ordinance.

BASE ADMINISTRATIVE COSTS

Base administrative costs include the costs common to all types of businesses incurred to register, oversee, maintain records and regulate licensed businesses within the City. Base administrative costs include the following standard labor costs: i) business license application and registration process; ii) issuance of license; iii) collection of fees; iv) maintenance of

⁹ Source: South Ogden City Business License Department, 2012
¹⁰ Estimated based on Weber County parcel data.
¹¹ Source: South Ogden City Business License Department, 2012

records; v) preparation of business reports and required verifications; and vi) regulatory inspections.

In order to estimate the base administrative costs of a business license, our primary source of information has been the City of South Ogden. Costs have been evaluated based on time spent by employees, wages and benefits for these employees, and department overhead. The cost of administering a business license also accounts for the department's fair share of indirect administrative costs that benefit the business license department.

DISPROPORTIONATE SERVICE COSTS

There are two types of disproportionate service costs – (1) disproportionate regulatory costs and (2) disproportionate service call costs. Disproportionate regulatory costs include the cost of services for business-related paperwork, administrative oversight, special regulations and inspections that are in addition to the services common to all businesses included in the base administrative cost. For example, additional regulatory services are required by some classes of businesses such as day-cares, restaurants and large retail. Disproportionate service call costs include the cost of services for police, fire and EMS 911 service calls above the base level of service provided by these departments. The base level of service is the level of service to non-rental single family homes. In order to identify disproportionate service levels, ZBPF has interviewed City officials and service providers and has obtained data regarding 911 calls for service from the South Ogden City Police and Fire Departments.

ENHANCED SERVICE COSTS

Enhanced service levels are generally those services which are increased in a particular geographic location of town, such as downtown, or the town center of a resort community. These may include services for enhanced levels of snow removal, police patrol, streetscape design, more frequent trash removal, more signage, etc. If these services are provided, appropriate fees may be charged to compensate the City for the related costs. South Ogden has indicated that, at this point in time, the City does not provide enhanced service levels to any areas of the community and has no immediate plans to do so. Therefore, there are no costs for enhanced levels of service.

BASE ADMINISTRATIVE COSTS

All commercial and home occupation businesses in South Ogden City are required to obtain and annually renew a business license. One of the costs associated with licensing a business is the *base administrative cost*. Base administrative costs include the costs common to all types of businesses incurred to register, oversee and maintain records, and enforce City and State ordinances.

The *base administrative costs* associated with licensing a business are determined by analyzing both employee costs and the time spent by each employee on business licensing procedures. Taking into account these two factors, a cost for each step in obtaining a business license can be determined. Added together, these costs equal the *base administrative costs* to the City for issuing a new application and renewal business license.

EMPLOYEE COSTS FOR BUSINESS LICENSING

Employee costs consist of direct and indirect costs. Direct business licensing costs include labor (wages & benefits) and department overhead costs for all personnel involved in issuing and overseeing business licenses. Indirect costs include services provided to all departments

such as legislative, executive and financial services as well as non-departmental and general building costs.

The following South Ogden City departments are involved in business licensing:

- Business Licensing¹²
- Code Enforcement
- Fire
- Police

A direct cost per minute was calculated for each employee involved in the business licensing process using the following method:

TABLE 1.1: DIRECT COST PER MINUTE CALCULATION

Employee Direct Cost Per Minute	
Per Minute Cost	Calculation
Employee Labor Cost Per Minute	$(Salary + benefits) / \text{employee total annual minutes worked}$
Department Overhead Cost Per Minute ¹³	$Department\ overhead / \text{total annual minutes worked}$
Direct Business License Cost Per Minute	$Employee\ labor\ cost\ per\ minute + \text{department overhead cost per minute}$

Table 1.2 shows the direct cost per minute for all employees involved in business licensing. All figures used in calculating direct costs were provided by South Ogden City.¹⁴

TABLE 1.2: DIRECT COST PER MINUTE

Employee Direct Cost Per Minute	
Employees By Department	Direct Cost Per Minute
Business Licensing	\$0.51
Code Enforcement	\$0.44
Fire (Fire Marshall Inspections)	\$1.15
Fire (Crew Inspections)	\$3.25

Source: South Ogden City Budget FY 2013

In addition to the direct costs associated with business licensing, each department must pay for its fair share of the City's indirect costs. Indirect costs include services provided from departments such as legislative, executive and financial services as well as non-departmental and general building costs. Total indirect costs of \$1,756,756 for South Ogden City are shown in table 1.3 below.

TABLE 1.3: TOTAL INDIRECT COSTS

Indirect Costs	
Department	Cost
City Council	\$156,125
Administration	759,339

¹² Business licensing is part of the Administration Department, but is listed separately here. Costs directly associated with business licensing are included as business licensing costs and are not included as indirect costs.

¹³ Only department overhead costs applicable to business licensing are included in the calculation of department overhead per minute.

¹⁴ FY 2013 Budget

DIRECT COSTS

INDIRECT COSTS

Indirect Costs	
Department	Cost
Legal	86,946
Non-Departmental	594,004
Building & Grounds	160,342
Total Indirect Costs	\$1,756,756

Source: South Ogden Budget FY 2013

Indirect costs are divided into fixed and variable costs. Fixed costs represent administrative services provided to each department regardless of size. Variable costs represent administrative services provided to each department in proportion to the number of employees in the department. Based on the ratio of fixed to variable costs, approximately 15.9 percent (\$279,065) of the City’s indirect costs are fixed costs, and the remaining 84.1 percent (\$1,477,691) of administrative services are assigned as variable costs.

Table 1.4 shows the variable and fixed costs allocated to each of the City’s nine departments.

TABLE 1.4: ALLOCATION OF INDIRECT COSTS BY DEPARTMENT

Fixed and Variable Indirect Costs			
Department	Fixed Cost	Variable Cost	Total Indirect Cost
Courts	\$55,813	\$75,362	\$131,175
Police	55,813	499,460	555,273
Fire	55,813	370,900	426,713
Public Works	55,813	257,118	312,931
Parks & Recreation	55,813	274,851	330,664
Total Indirect Costs	\$279,065	\$1,477,691	\$1,756,756

The total indirect cost allocated to each department is divided by the total minutes worked in each department to arrive at an indirect cost per minute per employee. The employee indirect cost per minute for each department involved with business licensing is shown in table 1.5. Business licensing is part of the City’s Administration Department and therefore there are no indirect costs associated with business licensing employees. All costs allocated directly to business licensing were subtracted from indirect costs.

TABLE 1.5: TOTAL INDIRECT COST PER MINUTE

Indirect Cost Per Minute	
Employees By Department	Indirect Cost Per Minute
Fire (Fire Marshall Inspection)	\$0.14
Fire (Crew Inspections)	\$0.14
Code Enforcement	\$0.13

Source: South Ogden Budget (FY 2013)

The following table shows the total cost per minute for all employees involved in the business licensing process.

TABLE 1.6: TOTAL COST PER MINUTE

TOTAL EMPLOYEE COSTS

Total Employee Cost Per Minute

Employees By Department	Per Minute Direct cost	Per Minute Indirect Cost	Total Cost
Business Licensing	\$0.51	NA	\$0.51
Fire (<i>Fire Marshall Inspection</i>)	1.15	0.14	1.29
Fire (<i>Crew Inspection</i>)	3.25	0.14	3.39
Code Enforcement	0.44	0.13	0.58

Source: South Ogden City Budget (FY 2013)

EMPLOYEE TIME FOR BUSINESS LICENSING

Business licensing takes applications, answers questions, reviews applications, copies documents, obtains required signatures, prepares and mails business licenses, and distributes appropriate forms to assisting departments/personnel. New application licenses generally require more time compared to renewal licenses. New applications involve additional paperwork, computer entry and generally more questions compared to renewal licenses. The time required by business licensing to perform the previously identified tasks, in addition to customer service, reports, meetings, training, etc. is approximately 45 minutes per license for a commercial new application license and 70 minutes for a home occupation new application license. New applications for a home occupation business require additional time compared to commercial businesses to research and mail notices to neighbors who live within 150 feet of the home occupation address. Renewal licenses for commercial and home occupation businesses average approximately 38 minutes per license.¹⁵ Seasonal, fireworks and vendor licenses require approximately 30 minutes, and solicitor licenses approximately 45 minutes.

Additional departments involved in business licensing include Fire and Code Enforcement. The Fire Department conducts fire inspections on all new commercial businesses as well as annual inspections for home occupation day cares. The Fire Department also performs annual inspections for assisted living, nursing and rehabilitation businesses as well as restaurants, private clubs, large grocery stores, commercial day cares, big box stores, private schools, and other assembly type businesses. Periodic inspections are performed on most other types of businesses¹⁶. Code enforcement spends approximately 1,000 hours annually on compliance issues related to commercial businesses, home occupation businesses and residential rentals.

NEW APPLICATION BASE ADMINISTRATIVE COSTS

The total base cost to the City for a new application commercial license is approximately \$233. This cost includes the services performed by business licensing as well as supplies, compliance and a fire inspection. The total annual code enforcement cost for commercial businesses was divided equally between all commercial businesses for a code enforcement cost per commercial license of approximately \$3.24. Compliance costs also include a cost of \$2.20 per license for a study every five to seven years (or as needed) to ensure the City's business licensing fees are compliant with Utah Code. The fire inspection cost included in the base administrative cost for a new commercial license is the minimum fire inspection time for travel, inspection and follow-up reports for a commercial business. The additional fire inspection costs for commercial businesses such as big box and restaurants are included as a disproportionate regulatory cost.

¹⁵ Time allocation per license was calculated taking into account total business licensing hours worked, total number of business licenses and the varying amounts of time required for different types of licenses.

¹⁶ Other than an initial inspection, periodic inspections are not performed for car washes and storage units.

BUSINESS LICENSE
DEPARTMENT

OTHER
DEPARTMENTS

NEW APPLICATION
COMMERCIAL
BUSINESSES

TABLE 1.7: NEW APPLICATION - COMMERCIAL BASE ADMINISTRATIVE COST

New Application License Base Administrative Cost Commercial Businesses			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	45	\$0.51	\$22.95
Compliance			5.44
Supplies			1.12
Fire Inspection (Base Cost)	60	3.39	203.40
Total New Commercial Application Base Administrative Cost			\$232.91

NEW APPLICATION
RESIDENTIAL RENTALS

South Ogden City does not currently license residential rentals. However, if the City chooses to license all types residential rentals in the future, table 1.8 shows the base cost to the City of a new application for a residential rental license of approximately \$52. While cities may inspect a rental as a condition of obtaining a business license, the municipality may not “charge a fee for the inspection of a rental dwelling.” Therefore, no inspection fee is included in the base administrative cost for a new residential rental license. Additionally, the City may only require one rental license per landlord.

TABLE 1.8: NEW APPLICATION – RESIDENTIAL RENTAL BASE ADMINISTRATIVE COST

New Application License Base Administrative Cost Residential Rentals			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	45	\$0.51	\$22.95
Compliance ¹⁷			9.28
Supplies			1.12
Good Landlord Program Administration			18.52
Total New Residential Rental Application Base Administrative Cost			\$51.87

If the City chooses to license only duplexes and apartments, the cost to the City will increase as the Cost of administering the Good Landlord Program will be divided among fewer licenses. Table 1.9 shows the new application base administrative cost to license only duplexes and only apartments.

TABLE 1.9: NEW APPLICATION – RESIDENTIAL RENTAL BASE ADMINISTRATIVE COST

New Application License Base Administrative Cost Multi-Family Residential Rentals	
License Type	Base Administrative Cost
Duplexes & Apartments	\$65
Apartments – 3+ Units	\$129
Apartments – 5+ Units	\$254
Apartments – 12+ Units	\$283
Apartments – 24+ Units	\$346

NEW APPLICATIONS
HOME OCCUPATION

Table 1.10 shows the new application base administrative cost for home occupation businesses of approximately \$48. Additional time is required to process new applications for home occupation businesses compared to commercial business licenses as residences within 150 feet of a residence applying for a home occupation business license are notified of the request via letter.

¹⁷ Code Enforcement cost per single family home. Approximately 95% of code enforcement time is spent on single family residences.

Only home occupation day-cares require a fire inspection. Therefore, fire inspection costs are not included in the base administrative cost for home occupation businesses. Fire inspection costs for home occupation day-cares are included as a disproportionate regulatory cost.

TABLE 1.10: NEW APPLICATION - HOME OCCUPATION BASE ADMINISTRATIVE COST

New Application License Base Administrative Cost Home Occupation Business			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	70	\$0.51	\$35.70
Compliance ¹⁸			11.48
Supplies			1.12
Total Home Occupation New Application Base Administrative Cost			\$48.30

OTHER LICENSES

The total cost to the city to license seasonal and vendor businesses is approximately \$16.

TABLE 1.11: SEASONAL LICENSE

Seasonal License (Other than Fireworks) Total Business License Cost			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	30	\$0.51	\$15.30
Supplies			1.12
Seasonal License			\$16.42

The cost to issue a fireworks license is approximately \$121.

TABLE 1.12: FIREWORKS LICENSE

Fireworks Total Business License Cost			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	30	\$0.51	\$15.30
Fire Inspection	30	\$3.48	104.40
Supplies			1.12
Fireworks License			\$120.82

The total cost to the City to license a solicitor is approximately \$78. On average, the Police Department spends approximately 56 minutes per solicitor license following up on complaints and compliance checks on solicitors.

TABLE 1.13: SOLICITOR LICENSE

Solicitor License Total Business License Cost			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	45	\$0.51	\$22.95

¹⁸ Code Enforcement cost per home of \$9.28 +\$2.20 per license cost of a study to ensure fees are in compliance with Utah Code.

Solicitor License Total Business License Cost			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Police			50.31
Supplies			5.00
Solicitor License			\$78.26

RENEWAL LICENSE BASE ADMINISTRATIVE COSTS

The total base administrative cost of approximately \$26 for a renewal commercial business license includes business licensing costs, annual code enforcement costs, and the cost of supplies. The fire inspection costs for businesses that require periodic fire inspections are included as disproportionate regulatory costs.

TABLE 1.14: RENEWAL - COMMERCIAL LICENSE BASE ADMINISTRATIVE COSTS

Renewal License Base Administrative Cost Commercial Business			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	38	\$0.51	\$19.22
Compliance ¹⁹			5.44
Supplies			1.74
Total Commercial Renewal Base Administrative Cost			\$26.40

If the City chooses to license all residential rentals, that total cost for a residential rental renewal license is approximately \$49.

TABLE 1.15: RENEWAL - RESIDENTIAL RENTAL RENEWAL LICENSE BASE ADMINISTRATIVE COSTS

Renewal License Base Administrative Cost Residential Rentals			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	38	\$0.51	\$19.22
Compliance			9.28
Supplies			1.74
Good Landlord Program	24	1.00	18.52
Total Residential Rental Renewal Base Administrative Cost			\$48.76

If the City chooses to license only duplexes and apartments or only apartments, the cost to the City for a residential rental renewal license will increase as the cost of administering the Good Landlord Program will be divided among fewer licenses.

TABLE 1.16: RENEWAL - RESIDENTIAL RENTAL BASE ADMINISTRATIVE COST

Renewal License Base Administrative Cost Residential Rentals	
License Type	Base Administrative Cost
Duplexes & Apartments	\$62
Apartments – 3+ Units	\$125

¹⁹ \$3.24 code enforcement cost per license + \$2.20 compliance cost per license (study every 5 – 7 years to ensure fees are compliant with Utah Code.)

**Renewal License Base Administrative Cost
Residential Rentals**

License Type	Base Administrative Cost
Apartments – 5+ Units	\$250
Apartments – 12+ Units	\$279
Apartments – 24+ Units	\$342

HOME OCCUPATION

Home occupation renewal licenses take approximately the same amount of time as commercial renewal licenses. However, code enforcement spends more time on compliance issues related to home occupation businesses compared to commercial businesses. The base administrative cost for a home occupation renewal business license in South Ogden is approximately \$32.

TABLE 1.17: HOME OCCUPATION RENEWAL LICENSE BASE ADMINISTRATIVE COSTS

Renewal License Base Administrative Cost Home Occupation Business			
License Type	Time Allocation (Minutes)	Cost per Minute	Estimated Cost
Business Licensing	38	\$0.51	\$19.22
Compliance			11.48
Supplies			1.74
Total Home Occupation Renewal Base Administrative Cost			\$32.44

DISPROPORTIONATE SERVICE COSTS

Disproportionate service costs include the additional costs which some businesses incur as a result of additional regulatory services required and additional municipal services provided such as police, fire and EMS 911 service calls compared to the base level of service. Additional regulatory services often include fire inspections for most commercial businesses and home occupation day cares. Certain business classes such as convenience stores, social clubs and assisted living often have a disproportionately high demand for police, fire and EMS 911 municipal services.

UTAH CODE
§10-1-203(5)

According to Utah Code Annotated §10-1-203(5)(c)(i), “Before the governing body of a municipality imposes a license fee on a business that causes disproportionate costs of municipal services under Subsection (5)(a)(i)(C)(I), the legislative body of the municipality shall adopt an ordinance defining for purposes of the [fee] tax under Subsection (5)(a)(i)(C)(I) the costs that constitute disproportionate costs and the amounts that are reasonably related to the costs of the municipal services provided by the municipality.”

Cities are allowed under Utah Code to collect disproportionate business licensing fees for the following municipal services:

- Police
- Fire/EMS
- Storm Water Runoff
- Traffic Control
- Parking

- Transportation
- Beautification
- Snow Removal

South Ogden City has chosen to only consider disproportionate police, fire and EMS municipal services in this study. Therefore, disproportionate services rendered may include police, fire and EMS 911 calls for service and business-related paperwork, administrative oversight, special regulations, fire inspections and other services performed for specific types of businesses. In order to calculate *disproportionate* costs, cities must first establish what constitutes the *base level* of service for each of the varying services they provide. There are two types of disproportionate costs appropriate to this analysis – disproportionate regulatory costs and disproportionate 911 police, fire, and EMS service call costs.

DISPROPORTIONATE REGULATORY COSTS

Disproportionate regulatory costs can include the cost of services for business-related paperwork, administrative oversight, special regulations and inspections that are in addition to the services common to all classes of businesses. In South Ogden City, disproportionate regulatory services are provided by the Fire and Business Licensing Departments.

The Fire Department inspects all new commercial businesses. Therefore, the base level of service common to all businesses is a 60 minute fire inspection at a cost of \$203²⁰ that is included in the base administrative cost for new commercial business. The disproportionate regulatory costs shown in table 1.18 for a new application license are the fire inspection costs in addition to the base level of service included in the base administrative costs. The City does not regularly inspect all types of commercial businesses and therefore, no fire inspection costs were included in the base administrative cost for a renewal license. All costs related to fire inspections for commercial renewal licenses are included as disproportionate regulatory costs.

In addition to the time business licensing spends issuing a new and renewal business license, business licensing personnel spend an additional 15 minutes on compliance issues related to smoke shops which are regulated by the State.

Home occupation day cares are the only types of home occupation businesses requiring a fire inspection. Therefore, the fire inspection costs for home occupation day cares are included as disproportionate regulatory costs.

Table 1.18 shows the disproportionate regulatory costs for South Ogden City²¹.

TABLE 1.18: DISPROPORTIONATE REGULATORY COSTS

Disproportionate Regulatory Costs Commercial Businesses		
Commercial Business Class	New Application License	Renewal License
Athletic Club	\$611	\$407
Assisted Living	\$107	\$155
Automotive	\$204	\$102
Banks	\$102	\$77

²⁰ 60 * \$3.39/minute = \$203.40

²¹ Detailed calculations for disproportionate regulatory costs are included in Appendix B.

Disproportionate Regulatory Costs Commercial Businesses		
Commercial Business Class	New Application License	Renewal License
Business, Professional & Contracted Services	\$0	\$51
Big Box	\$611	\$407
Commercial Day Care/Pre-School	\$0	\$77
Convenience Store	\$204	\$203
Health Centers	\$78	\$140
Large Grocery	407	\$305
Pawn Shop	\$0	\$51
Personal Services	\$0	\$51
Private Club	\$204	\$203
Private School	\$204	\$203
Restaurants	\$204	\$203
Retail	\$102	\$77
Transitional Rehabilitation	\$107	\$155
Smoke Shop	\$117	\$92
Home Occupation Business Class		
Day Care	\$77	\$77

DISPROPORTIONATE SERVICE CALL COSTS

Disproportionate service call costs include the cost of services for police, fire and EMS 911 calls above the base level of service provided by police and fire.²² The *base level* of service is the average level of 911 service calls to owner-occupied single family residences.²³ Calls for police, fire and EMS services were obtained from the police and fire departments for July 2010 through June 2012. The call data was then geo-coded and analyzed to calculate the number of calls to owner-occupied single family residential units. The number of calls to owner-occupied single family residential units was averaged over the two-year period.²⁴ The average annual number of calls to owner-occupied single family residential units was divided by the total number of owner-occupied single family residential units²⁵ to determine the *base level* of service calls for police, fire and EMS. This per unit base level of service is referred to as the *base level service call ratio*. The disproportionate service call costs are calculated by multiplying the average level of police, fire and EMS service calls for each commercial business and residential rental type above the base level of service calls by the cost per call for police, fire and EMS services.

The annual *base level* of service for police calls was determined to be an average of 0.600 calls per owner-occupied single family residence per year. In other words, on average, single family owner-occupied residences call the police one time approximately every other year.

The annual base level of service calls in South Ogden for fire 911 service calls is approximately 0.020 and the base level of service for 911 EMS service calls is approximately 0.104.

BASE LEVEL OF
SERVICE CALLS

²² This study does not include any traffic related calls. Only 911 calls where police, fire and EMS were dispatched to the site are included in the study.

¹⁹ Calls are matched to the address where the incident took place, not the address of call origination. Includes owner occupied detached homes, condominiums and PUD's.

²⁴ A two-year average minimizes the effect of a call volume spike that could occur over a one-year period.

²⁵ The number of single family non-rental residences was derived from the information contained in the Weber County parcel Database.

TABLE 1.19: RESIDENTIAL CALL DATA – BASE LEVEL OF SERVICE FOR POLICE, FIRE AND EMS

Base Level of Service Police, Fire and EMS			
	Police	Fire	EMS
Owner-Occupied Single Family Residential Calls	1,999.5	66.5	347
Total Number of Units ²⁶	3,334	3,334	3,334
Base Level of Service Ratio	0.600	0.020	0.104

ANNUAL AVERAGE
SERVICE CALL RATIO

The annual average police, fire and EMS service call ratio per business²⁷ in a given business class was calculated by dividing the 2-year average annual number of calls in each business class by the total number of businesses in the business class. Service call ratios for commercial businesses and rental housing that are higher than the *base level* of service call ratio are considered disproportionate. To calculate the disproportionate service call ratio, the base level of service ratio (shown in table 1.19) was subtracted from the average calls per commercial business class/rental housing type.

STATISTICAL
OUTLIERS

Within a business class, there may be a few businesses with a much higher number of 911 service calls compared to the majority of business establishments in that particular business class. These businesses excessively skew the average service call per business and are referred to as statistical outliers.

DISPROPORTIONATE
SERVICE CALL RATIOS

Table 1.20 shows the police disproportionate service call ratios for commercial businesses with and without the statistical outliers. Of the 21 commercial business categories, 10 have outliers for 911 police call for service.

TABLE 1.20: DISPROPORTIONATE POLICE CALL DATA –COMMERCIAL BUSINESSES

Police Disproportionate Call Ratios		
Business Class	With Outliers	Without Outliers
Assisted Living (per room)	0.00	NA
Athletic Club	18.116	NA
Automotive	5.275	3.967
Banking/Credit Union	7.450	6.455
Big Box	69.878	NA
Business, Professional & Contracted Services	0.728	0.620
Car Wash	5.067	2.650
Cemetery	14.400	NA
Convenience Store/Gas	15.000	11.150
Commercial Day Care	4.150	3.233
Health Centers	13.900	NA
Large Grocery	67.574	42.375
Pawn Shop	13.400	NA
Personal Services	0.328	NA
Private Club	2.400	NA
Private School	2.650	NA
Restaurants	4.264	3.713
Retail	3.105	1.814
Smoke Shop	7.900	NA

²⁶ Based on the South Ogden City parcel data received from Salt Lake County.

²⁷ Service calls to businesses located in strip malls where calls for service could not be attributed to a specific business were removed from the study.

Police Disproportionate Call Ratios		
Business Class	With Outliers	Without Outliers
Storage (per units)	0.002	NA
Transitional Rehabilitation	0.000	0.000

Table 1.21 shows the EMS disproportionate service call ratios for commercial businesses with and without outliers. Of the 21 commercial business categories, five categories have statistical outliers.

TABLE 1.21: DISPROPORTIONATE EMS CALL DATA –COMMERCIAL BUSINESSES

EMS Disproportionate Call Ratios		
Business Class	With Outliers	Without Outliers
Assisted Living (per room)	0.726	NA
Athletic Club	6.531	NA
Automotive	0.021	NA
Banking/Credit Union	0.146	0.007
Big Box	8.896	NA
Business, Professional & Contracted Services	0.061	NA
Car Wash	0.000	NA
Cemetery	0.396	NA
Convenience Store/Gas	0.896	0.771
Commercial Day Care	0.021	0.000
Health Centers	17.396	NA
Large Grocery	5.002	3.979
Pawn Shop	0.000	NA
Personal Services	0.000	NA
Private Club	0.396	NA
Private School	0.146	NA
Restaurants	0.517	0.443
Retail	0.075	NA
Smoke Shop	0.394	NA
Storage (per units)	0.0001	NA
Transitional Rehabilitation	1.747	NA

Table 1.22 shows the fire disproportionate service call ratios for commercial businesses with and without outliers. Of the 21 commercial business categories, only two categories have statistical outliers.

TABLE 1.22: DISPROPORTIONATE EMS CALL DATA –COMMERCIAL BUSINESSES

Fire Disproportionate Call Ratios		
Business Class	With Outliers	Without Outliers
Assisted Living (per room)	0.039	NA
Athletic Club	1.743	0.000
Automotive	0.000	NA
Banking/Credit Union	0.180	NA
Big Box	3.480	NA

Fire Disproportionate Call Ratios		
Business Class	With Outliers	Without Outliers
Business, Professional & Contracted Services	0.042	NA
Car Wash	0.000	NA
Cemetery	0.000	NA
Convenience Store/Gas	0.080	NA
Commercial Day Care	0.000	NA
Health Centers	1.480	NA
Large Grocery	0.867	NA
Pawn Shop	0.000	NA
Personal Services	0.000	NA
Private Club	0.000	NA
Private School	0.000	NA
Restaurants	0.056	0.043
Retail	0.053	NA
Smoke Shop	0.000	NA
Storage (per units)	0.000	NA
Transitional Rehabilitation	0.063	NA

COST PER CALL

The next step in determining the disproportionate costs (if any) of commercial businesses is to multiply the disproportionate service call ratio by the cost per call. The cost per call for police, fire and EMS services was determined by dividing total variable costs (estimated costs above the fixed costs that are required assuming there were no calls for service) by the total number of service calls. The cost per call for police is approximately \$204, \$1,150 for fire, and \$370 for EMS.²⁸

TABLE 1.23: COST PER CALL - POLICE AND FIRE

	Cost Per Call		
	Police	Fire	EMS
Cost per Call	\$204	\$1,150	\$370

COMMERCIAL BUSINESS
DISPROPORTIONATE
SERVICE CALL COSTS

Table 1.24 summarizes the disproportionate costs per business for each commercial business class identified for South Ogden City. The disproportionate cost is calculated multiplying the disproportionate call ratio without outliers as shown in tables 1.20 – 1.22 by the cost per call. ZBPF recommends the maximum disproportionate fee considered by a City be equal to the disproportionate cost without outliers for each commercial business category.

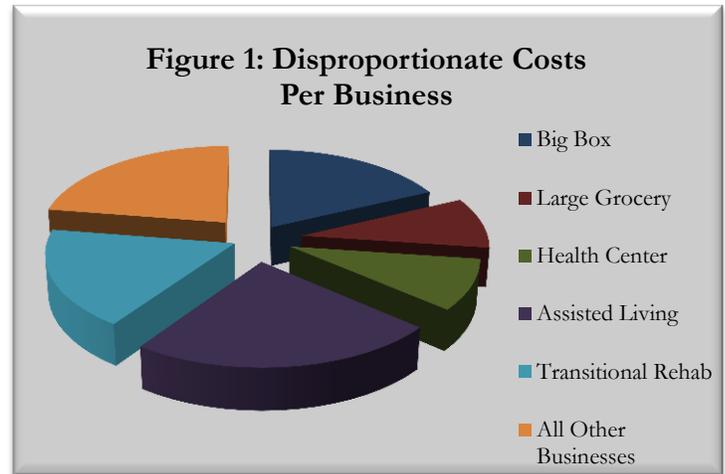
TABLE 1.24: DISPROPORTIONATE POLICE, FIRE AND EMS COSTS - COMMERCIAL BUSINESSES

Disproportionate Service Call Costs				
Commercial Businesses				
Business Class	Police	EMS	Fire	Total
Assisted Living (per room)	\$0	\$268	\$44	\$312/room
Athletic Club	\$3,694	\$2,416	\$2,004	\$8,114
Automotive	\$809	\$8	\$0	\$817

²⁸ Police total budget - \$3,282,033. Variable Costs = \$1,826,873 Annual average police calls without traffic related calls – 8,959. Total fire budget - \$1,315,781. Variable Costs - \$671,535. Average annual total fire calls – 207. Average annual medical calls – 1,172. EMS cost is approximately 32 percent of fire cost.

Disproportionate Service Call Costs Commercial Businesses				
Business Class	Police	EMS	Fire	Total
Banking/Credit Union	\$1,316	\$3	\$207	\$1,526
Big Box	\$14,254	\$3,292	\$4,002	\$21,548
Business, Professional & Contracted Services	\$126	\$23	\$48	\$197
Car Wash	\$540	\$0	\$0	\$540
Cemetery	\$2,936	\$147	\$0	\$3,083
Convenience Store/Gas	\$2,274	\$285	\$92	\$2,651
Commercial Day Care	\$659	\$0	\$0	\$659
Health Centers	\$2,834	\$6,437	\$1,702	\$10,973
Large Grocery	\$8,643	\$1,472	\$997	\$11,112
Pawn Shop	\$2,732	\$0	\$0	\$2,732
Personal Services	\$67	\$0	\$0	\$67
Private Club	\$489	\$147	\$0	\$636
Private School	\$540	\$54	\$0	\$594
Restaurants	\$757	\$164	\$49	\$970
Retail	\$370	\$28	\$61	\$459
Smoke Shop	\$1,611	\$147	\$0	\$1,758
Storage (per unit)	\$0.41	\$0.04	\$0	\$0.45/unit
Transitional Rehabilitation (per room)	\$0	\$646	\$73	\$719/room

Figure 1 shows the disproportionate service call costs per commercial business for the business classes with the highest disproportionate service call costs. As illustrated in this chart, the five business categories with the highest disproportionate service cost call per business – Large Grocery, Big Box, Health Center, Assisted Living and Transitional Rehabilitation account for approximately 77 percent of the total disproportionate service call costs per business.



Utah Code Annotated §10-1-203.5 allows cities to recover its “disproportionate costs of providing municipal services to residential rental units compared to similarly-situated owner occupied housing.”

For single family and duplex rental housing, the number of calls for service was assessed by matching the location of the destination of each service call to a list of rental addresses. For 3+ rental housing, each “unit” address was matched to the business address for the entire complex. For each type of rental housing (single family, duplex, 3+ apartments), the 2-year

average of service calls was divided by the total number of housing units to determine the annual average service call ratio per housing unit.

The disproportionate call ratio is the *single family rental call ratio* minus the *base call ratio*. As shown in table 1.25, there is a disproportionate call ratio for police and EMS services for single family rentals.

TABLE 1.25: DISPROPORTIONATE CALL DATA –SINGLE FAMILY RENTALS

Disproportionate Call Ratios Single Family Rentals			
	Police	Fire	EMS
Average Annual Calls	230.5	1.5	39
Total Number of Units	232	232	232
Single Family Rental Call Ratio	0.994	0.006	0.168
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.394	0.000	0.064

Utah code²⁹ no longer allows cities to charge a disproportionate fee to rental duplexes, triplexes or four-plexes where the owner lives in one of the units. There is a small disproportionate call ratio for rental duplexes in South Ogden.

TABLE 1.26: DISPROPORTIONATE CALL DATA –DUPLEXES

Disproportionate Call Ratios Duplexes			
	Police	Fire	EMS
Average Annual Calls	166	2	19
Total Number of Units	258	258	258
Duplex Call Ratio	0.643	0.008	0.069
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.043	0.000	0.000

Based on the City’s parcel database and utility records, the City has approximately 42 apartment complexes with three or more units. Call ratios were analyzed for all apartments with 3+ units, apartments with 5+ units, apartments with 12+ units and apartments with 24+ units. As shown in table 1.27, the average per unit cost is higher for apartment complexes with a larger number of units compared to the average per unit cost of all apartment complexes.

TABLE 1.27: DISPROPORTIONATE CALL DATA –APARTMENT COMPLEXES 3+ UNITS

Disproportionate Call Ratios Apartment Complexes (3+ units)			
	Police	Fire	EMS
Average Annual Calls	485.5	3.5	85
Total Number of Units	660	660	660
Call Ratio	0.736	0.005	0.129
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.136	0.000	0.025

²⁹ Utah Code Annotated §10-1-203.5

TABLE 1.28: DISPROPORTIONATE CALL DATA –APARTMENT COMPLEXES 5+ UNITS

Disproportionate Call Ratios Apartment Complexes (5+ units)			
	Police	Fire	EMS
Average Annual Calls	423	3	77.5
Total Number of Units	556	556	556
Call Ratio	0.761	0.005	0.139
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.161	0.000	0.035

TABLE 1.29: DISPROPORTIONATE CALL DATA –APARTMENT COMPLEXES 12+ UNITS

Disproportionate Call Ratios Apartment Complexes (12+ units)			
	Police	Fire	EMS
Average Annual Calls	393.5	3	76
Total Number of Units	516	516	516
Call Ratio	0.763	0.006	0.147
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.163	0.000	0.043

TABLE 1.30: DISPROPORTIONATE CALL DATA –APARTMENT COMPLEXES 24+ UNITS

Disproportionate Call Ratios Apartment Complexes (24+ units)			
	Police	Fire	EMS
Average Annual Calls	384	2.5	74
Total Number of Units	492	492	492
Call Ratio	0.780	0.005	0.150
Base Call Ratio	0.600	0.020	0.104
<i>Disproportionate Call Ratio</i>	0.180	0.000	0.046

COST PER CALL

The next step in determining the disproportionate costs (if any) of residential residences is to multiply the *disproportionate service call ratio* by the *cost per call shown in table 1.23* of approximately \$204 for police, \$1,150 for fire, and \$370 for EMS.

RESIDENTIAL RENTALS
DISPROPORTIONATE
COST

Table 1.31 shows the police, fire and EMS disproportionate service call costs per unit for residential rentals. The total per dwelling disproportionate service call cost for single family rentals is \$32. There is no disproportionate per unit cost for rental duplexes or apartment complexes with three to nine units. The disproportionate per unit cost for apartment complexes with more than nine units is \$132/unit.

TABLE 1.31: DISPROPORTIONATE POLICE, FIRE AND EMS COSTS – RESIDENTIAL RENTALS

Disproportionate Police, Fire and EMS Costs Residential Rentals				
Rental Type	Police	Fire	EMS	Total Per Unit
Single Family	\$80	\$0	\$24	\$104
Duplexes	\$9	\$0	\$0	\$9
Apartments (3+ Units)	\$28	0	\$9	\$37
Apartments (5+ Units)	\$33	0	\$13	\$46
Apartments (12+ Units)	\$33	0	\$16	\$49
Apartments (24+ Units)	\$37	0	\$17	\$54

ENHANCED SERVICE LEVEL COSTS

Enhanced service levels reflect a higher level of service for a specific portion of the business community (whether it is a business class, business location, etc.). Examples of enhanced service levels include more landscaping, hanging baskets, more or higher quality signage, increased police patrols (a visible police presence), more frequent snow removal, etc. Generally, these types of services are increased in a particular geographic section of town, such as downtown, or the town center of a resort community but they may also be specific to a particular type of business activity, the number of employees in a company, etc.

South Ogden City currently does not have any geographic areas or business classes for which the City provides enhanced service levels.

TOTAL BUSINESS LICENSE COSTS

TOTAL COSTS

Total business license costs for South Ogden are comprised of the base administrative costs, disproportionate regulatory costs and disproportionate service call costs. Table 1.31 shows the total renewal license cost for commercial and home occupation businesses. The total license cost per business is the maximum the City may charge for a commercial business license.

This study does not recommend business licensing fees, but rather calculates the City’s business licensing costs – which are the maximum fees allowable under State Code. Factors the City may want to consider as they establish business license fees include business classes the City would like to encourage, businesses classes that generate higher tax revenue compared to other business classes and overall economic development policy.

TABLE 1.32: TOTAL BUSINESS LICENSE COST - RENEWAL COMMERCIAL LICENSES

Total Business Licensing Costs Commercial and Home Occupation Businesses				
Business Class	Base Cost	Disproportionate Regulatory	Disproportionate Service Call	Total
Assisted Living (per room)	\$26	\$155	\$312/room	\$181 +312/room
Athletic Club	\$26	\$407	\$8,114	\$8,547
Automotive	\$26	\$102	\$809	\$937
Banking/Credit Union	\$26	\$77	\$1,526	\$1,629
Big Box	\$26	\$407	\$21,548	\$21,981
Business, Professional & Contracted Services	\$26	\$51	\$197	\$274
Car Wash	\$26	\$0	\$540	\$566
Cemetery	\$26	\$0	\$3,083	\$3,109
Convenience Store/Gas	\$26	\$203	\$2,651	\$2,880
Commercial Day Care	\$26	\$77	\$659	\$762
Cosmetologists	\$26	\$0	\$0	\$26
Fireworks	\$121	\$0	\$0	\$121
Health Centers	\$26	\$140	\$10,973	\$11,139
Home Occupation	\$32	\$0	\$0	\$32
Home Occupation Day Care	\$32	\$77	\$0	\$109
Large Grocery	\$26	\$305	\$11,112	\$11,443

Total Business Licensing Costs Commercial and Home Occupation Businesses				
Business Class	Base Cost	Disproportionate Regulatory	Disproportionate Service Call	Total
Pawn Shop	\$26	\$51	\$2,732	\$2,809
Personal Services	\$26	\$51	\$67	\$144
Private Club	\$26	\$203	\$636	\$865
Private School	\$26	\$203	\$594	\$823
Retail	\$26	\$77	\$459	\$562
Restaurants	\$26	\$203	\$970	\$1,199
Smoke Shop	\$26	\$92	\$1,758	\$1,878
Solicitor	\$65	\$0	\$0	\$65
Storage (per units)	\$26	\$0	\$0.45	\$26 + \$0.45/unit
Transitional Rehabilitation	\$26	\$155	\$719	\$181 + \$719/room
Vendor/Seasonal	\$16	\$0	\$0	\$16

RESIDENTIAL RENTALS

The City of South Ogden currently does not license residential rentals. The total cost to license rentals varies depending on the type of rentals the City chooses to license. Table 1.33 shows the various costs to the city for licensing residential rentals. For example, the base administrative cost to license all rentals is \$49 compared to \$342 if the city licenses only 24+ unit apartment complexes. This is because the fixed costs for administering a Good Landlord Program can be divided among more rental licenses if all rentals are licensed and therefore the cost per license is reduced.

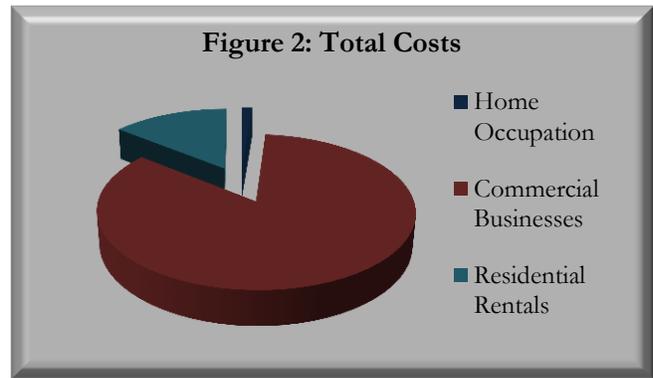
The City incurs the disproportionate service call costs for residential rentals regardless of whether or not the City chooses to license residential rentals. The base administrative cost is incurred only if the City chooses to license residential rentals. If the city adopts a disproportionate rental fee, the City will be required by Utah State Code³⁰ to adopt a Good Landlord Program.

TABLE 1.33: TOTAL BUSINESS LICENSE COST – RESIDENTIAL RENTALS

Total Costs Residential Rental Renewal Application Licenses				
Rental Type	Base Cost	Disproportionate Regulatory	Disproportionate Service Call	Total Cost Per Unit
All Rentals	\$49	\$0	\$104	\$99
All 2+ Rentals	\$62	\$0	\$9	\$71
Apartments (3+ units)	125	\$0	\$37	\$125 + \$37/unit
Apartments (5+ units)	250	\$0	\$46	\$250 + \$46/unit
Apartments (12+ units)	279	\$0	\$49	\$279 + \$49/unit
Apartment (24+ units)	342	\$0	\$54	\$342 + \$54/unit

³⁰ Utah Code §10-1-203.5

Figure 2 shows the total costs³¹ to South Ogden City for commercial and home occupation businesses and residential rentals. Commercial businesses represent approximately 84% of the City’s total business licensing costs. Home occupation businesses represent approximately 1 percent of total licensing costs. Because the City does not currently license residential rentals, the total cost for residential rentals includes only disproportionate costs. Residential rentals account for approximately 15 percent of total costs.



CHANGES REQUIRED
IN CURRENT FEE
SCHEDULE

While the majority of the current fees for South Ogden business licenses fall within the amount allowable by law, the following table shows current South Ogden business license fees that are not allowable under Utah Code, which states that fees charged may not exceed the cost to reasonably regulate business activity³². Therefore, the maximum allowable fee for home occupation businesses (with the exception of home occupation day cares), cosmetologists, fireworks, vendor and seasonal licenses is the current cost to the City for licensing these types of businesses.

TABLE 1.34: CHANGES REQUIRED IN CURRENT COTTONWOOD HEIGHTS BUSINESS LICENSE FEE SCHEDULE

Changes Required in Current Business License Fee Schedule		
Fee Type	Current Fee	Current Cost
Home Occupation (<i>Excluding Day Cares</i>)	\$74	\$32
Cosmetologists	\$116	\$26
Fire works	\$200	\$121
Vendor/Seasonal	\$169	\$16

³¹ Assuming outliers have been removed and all licenses are renewal licenses.

³² Utah Code Annotated §10-1-203

APPENDIX A

BUSINESS CLASS	BUSINESSES INCLUDED
Assisted Living	Assisted Living Nursing Home
Automotive	Auto Service & Repair Auto Emissions & Inspection
Banking and Credit Unions	Banks Credit Unions
Big Box	Wholesale/Retail Membership
Business, Professional & Contracted Services	Accounting Advertising Attorney Auto Title Loans Behavioral Risk Management Billing Company Business Office Business Services CPA Consulting Chiropractic Computer Services Counseling Contractor/Developer Dental Services Engineering Eye Care Services/Physician Financial Services Home Health Care Home Mortgage Hearing Center Insurance Interior Design Internet and Technology Services Investment Services Legal Services Marketing Media Development Medical Services (Physical Therapy, Counseling, Family Care, Outpatient offices, Hospice) Medical Supplies Real Estate Services Property Management Stockbroker Software Development Tax Title Travel Funeral Services Printing

	Telecommunications Photography – Video Waste Contractor
Construction & Contracted Services	Carpentry Concrete Construction Excavation Handyman Services Installation Maintenance Manufacturing Landscaping Equipment Services Plumbing Transportation Trucking Waste Removal Welding
Car Wash	Car Wash
Cemetery	Cemetery
Convenience Store/Gas	Convenience Store/Gas
Health Centers	Health Centers
Large Grocery	Large Retail Grocery
Pawn Shop	Pawn Shops
Personal Services	Barber Shop Beauty Salon Cosmetologists Choral, Acting and Dance Classes Dry Cleaning Fitness Funeral Services Gymnastics Instruction Health Related Services Home Security Systems Landscaping Preschool Performing Arts Studio Salons Spas Massage Therapy Martial Arts Online Editorial Pet Grooming Yoga
Private Club	Private Club
Private School	Private School

Restaurant	<ul style="list-style-type: none"> Restaurant Fast Food Café Ice Cream Parlor Sandwich Shop
Sales/Wholesale/Distribution	<ul style="list-style-type: none"> Appliance Sales Auto Sales Building Supplies Clothing Computer Sales Equipment Rental Flooring Florists Furniture Miscellaneous Retail Sales Non Profit Retail Pharmacies Sporting Goods Tire Center
Smoke Shop	<ul style="list-style-type: none"> Smoke Shop
Storage	<ul style="list-style-type: none"> Self-Storage Units Rental Storage Facility
Rehabilitation Center	<ul style="list-style-type: none"> Rehabilitation Center

APPENDIX B

NEW APPLICATION BUSINESS LICENSES

The minimum amount of time required per business for a fire inspection (including travel time and paperwork) is approximately 60 minutes. The cost for a 60 minute inspection is approximately \$204. This cost is included in the base administrative cost for a new application commercial license. Some businesses require more than 60 minutes to complete the inspection. The additional time and corresponding costs for these types of businesses is shown in table B.1.

There is no fire inspection cost included in the base administrative cost for a new application license for a home occupation business. Therefore, the base cost for home occupation day cares as shown in table B.1 is \$0.

Assisted living and transitional rehabilitation facilities are generally inspected by the Fire Marshall and therefore have a cost of \$1.29 per minute. The cost for a crew to inspect a business is approximately \$3.39 per minute. Health Centers are inspected by either the Fire Marshall or the crew and therefore, an average cost of \$2.34 per minute was used to calculate the fire inspection cost for Health Centers.

TABLE B.1: DISPROPORTIONATE FIRE REGULATORY COSTS – NEW APPLICATION

Disproportionate Regulatory Costs for New Application Businesses Licenses					
Category	Total Minutes	Cost Per Minute	Fire Inspection Cost	Less: Base Cost	Disproportionate Regulatory
Assisted Living	240	1.29	\$310	\$203	\$107
Athletic Club	240	3.39	\$814	\$203	\$611
Automotive	120	3.39	\$407	\$203	\$204
Banks	90	3.39	\$305	\$203	\$102
Big Box	240	3.39	\$814	\$203	\$611
Convenience Store	120	3.39	\$407	\$203	\$204
Health Centers	120	2.34	\$281	\$203	\$78
Home Occupation Day Care	60	1.29	\$77	\$0	\$77
Large Grocery	180	3.39	\$610	\$203	\$407
Private Club	120	3.39	\$407	\$203	\$204
Private School	120	3.39	\$407	\$203	\$204
Restaurants	120	3.39	\$407	\$203	\$204
Retail	90	3.39	\$305	\$203	\$102
Transitional Rehabilitation	240	1.29	\$310	\$203	\$107

Business licensing spends an additional 15 minutes on compliance issues related to smoke shops which are regulated by the State. The additional Assisted living and transitional rehabilitation facilities are generally inspected by the Fire Marshall and therefore have a

RENEWAL BUSINESS LICENSES

Once the initial fire inspection has been completed for a new commercial business, not all commercial businesses are regularly inspected. Therefore, fire inspection costs for renewal

business licenses that are regularly inspected by the Fire Department are included as a disproportionate regulatory cost. The only type of home occupation businesses that are regularly inspected by the Fire Department include home occupation day cares.

Table B.2 shows the disproportionate regulatory fire costs for renewal licenses for commercial businesses and home occupation day cares. While some businesses are inspected annually, others are inspected on average, every two years.

TABLE B.2: DISPROPORTIONATE FIRE REGULATORY COSTS – RENEWALS

Disproportionate Regulatory Costs for Renewal Businesses Licenses					
Category	Total Minutes	Cost Per Minute	Fire Inspection Cost	How Often Inspected	Disproportionate Regulatory Cost
Assisted Living	120	1.29	\$155	Annual	\$155
Athletic Club	120	3.39	\$407	Annual	\$407
Automotive	60	3.39	\$203	Biennial	\$102
Banks	45	3.39	\$153	Biennial	\$77
Business, Professional & Contracted Services	30	3.39	\$102	Biennial	\$51
Big Box	120	3.39	\$407	Annual	\$407
Convenience Store	60	3.39	\$203	Annual	\$203
Day Care/Pre-School	60	1.29	\$77	Annual	\$77
Health Centers	60	2.34	\$140	Annual	\$140
Large Grocery	90	3.39	\$305	Annual	\$305
Pawn Shop	30	3.39	\$102	Biennial	\$51
Personal Services	30	3.39	\$102	Biennial	\$51
Private School	60	3.39	\$203	Annual	\$203
Private Club	60	3.39	\$203	Annual	\$203
Restaurants	60	3.39	\$203	Annual	\$203
Retail	45	3.39	\$153	Biennial	\$77
Transitional Rehabilitation	120	1.29	\$155	Annual	\$155



South Ogden City

James F. Minster
Mayor

Matthew J. Dixon
City Manager

May 9, 2013

Dear South Ogden City Business Owner,

Zion's Bank recently conducted an independent Business License Study for the City of South Ogden. Based upon the findings of the study and staff recommendations, the South Ogden City Council is in the process of considering and adopting a new business license fee schedule for the City. Business licensing fees are likely to increase overall to help recover a larger portion of the City's full operating costs. The fee each business pays may go up or down if a new fee calculation is adopted.

How are costs calculated?

Business license fees are charged to offset the costs the City incurs to provide services to businesses that are above and beyond the costs to serve a regular property. The study is an in-depth look at what the actual operating costs are to the City. The business license study helps determine fee recommendations by combining costs from three different categories: (1) base administrative costs, (2) disproportionate regulatory costs, and (3) disproportionate service call costs.

Base administrative costs include the costs incurred to register, oversee, maintain records and regulate licensed businesses within the City. These costs include staff time to process new and renewal licenses – including other departments such as code enforcement and fire.

Disproportionate regulatory costs are the costs associated with different types of businesses that need special regulation. An example would be restaurants – restaurants require a more in-depth fire inspection due to health regulations compared to a retail clothing store. This would be an additional cost to restaurants.

Disproportionate service call costs are the costs of services for police, fire, and EMS 9-1-1 calls above the base level of service provided to single family owner-occupied residences. Certain types of businesses (such as grocery stores) have a greater number of disproportionate service calls based on the type of business (e.g., more calls to police due to shoplifting).

What business license services provide to owners and consumers:

- Protect the public health and safety
- Give accountability for business conducted
- Provide a tracking system for individual tax purposes
- Provide a legitimate record of business for liability purposes
- Protect correct land use (planning and zoning enforcement)
- Establish the proper credentials for business type
- Provide a database of business services located within the City
- Give city insight into local/regional economic trends

How will these costs affect my business?

It is a combination of the cost categories above, in conjunction with the business type that will determine your new license fee. While some business license fees will increase significantly, others may actually be lower than they are at present.

The business license fee study showed the city that the current license fees were not paying for services provided to most businesses. Since license fees have not changed since 1998, you can imagine the disparity in actual costs verses fees collected; the city is currently covering only about 29% of the total costs associated with providing these services to businesses. Staff has recommended the City Council adopt a new fee schedule to recover a greater percentage of these costs. However, the proposed fee increases being reviewed are not likely to equal more than 67% of the full cost of operation to the City. In other words, the City would still subsidize one-third or more of the costs expended to service businesses in South Ogden. Also, if the proposed increase for a business license fee exceeds \$500, the city will phase the cost over a two year period. South Ogden strives to maintain a business-friendly environment and will continue to encourage business growth in the area while recalculating license fees to create a more balanced approach to providing services to the business community.

The city council will hold a public hearing to receive input on the proposed business license fee changes, on **Tuesday, May 21, 2013 at 6 p.m.**, in the council chambers of City Hall, located at 3950 Adams Ave, South Ogden City, 84403.

Sincerely,



Leesa Kapetanov
City Recorder

801-622-2709 · Fax 801-622-2713

lkapetanov@southogdencity.com

Enclosure:

Proposed License Fees

Proposed Businesses License Fees

Assisted Living/Transitional Rehab \$ 175 + \$55/room

- Assisted Living Center
- Nursing Care Center
- Nursing Center/Assisted Living Facility
- Rehabilitation Center

Athletic Club \$ 4,900

- Athletic Club

Automotive \$ 575

- Automotive Service & Repair
- Auto Emissions and Inspections

Banking and Credit Unions \$ 825

- Banks
- Credit Unions

Big Box Retail \$ 6,900

- Wholesale/Retail Membership

Business, Professional & Contracted Services... \$ 175

- Accounting
- Advertising
- Attorney
- Behavioral Risk Management
- Billing Company
- Business Office
- Certified Public Accountant
- Chiropractor
- Commercial Printer
- Computer Repairs/Upgrades
- Consulting
- Contract Service Company
- Construction Company
- Contractor/Developer
- Corporate Office
- CPA and CPA Firm
- Dental Lab
- Dentists and Dental Offices
- Energy Consulting Firm
- Engineering Firm
- Executive Search/Recruiting
- Financial Consulting
- Financial Planner
- Financial Services
- Hearing Center
- Holistic Health Center
- Hospice Service
- Home Health Care
- Home Mortgage
- Inventory Service
- Investment Services
- Landscape Architecture
- Law Firm

(continued in next column)

Business, Professional & Contracted Services (cont.)

- Marketing
- Marriage/Family Counseling
- Medical Loans/Expenses
- Medical Office
- Medical Office Billing
- Mortgage Lender
- Non-Profit Organization
- Optometrist
- Oral & Maxillofacial Surgery
- Oral Surgeon
- Orthodontist
- Outdoor Advertising
- Outdoor Maintenance
- Outpatient Physical Therapy
- Patient Service Center
- Physician
- Physical Therapist
- Physician
- Physician Office
- Professional Association
- Professional Services
- Psychotherapy
- Real Estate Office
- Real Estate Broker
- Real Estate Development
- Real Estate Management
- Short Term Lender
- Sign Contractor
- Sleep Center
- Software Development
- Speech & Hearing Services
- Stockbroker
- Surgical Center
- Tax Consultants
- Title and Check Loans
- Title and Escrow Services
- Waste Contractor
- Weight Loss Consulting

Car Wash \$ 325

Cemetery \$ 1,725

Convenience Store/Gas Station \$ 1,700

Day Care (Commercial) \$ 400

Day Care (Home Occupation) \$ 75

Fireworks \$ 125

Food/Restaurant \$ 775

- Cafe
- Catering
- Fast Food Restaurant
- Ice Cream Parlor
- Restaurant
- Take-Out Pizza
- Take-n-Bake Pizza
- Sandwich Shop

Health Clinic \$ 6,200

Home Occupation \$ 40

- Any Business Based From a Residence

Large Grocery \$ 5,125

- Large Retail Grocery Store

Pawn Shop \$ 1,575

Personal Services \$ 125

- Beauty Salon
- Choral, Acting and Dance Classes
- Cosmetologist *
- Dental Assisting School
- Fitness Center
- Full Service Salon
- Hair Salon
- Hair and Nail Salon
- Language Instruction
- Laundry/Dry Cleaning
- Massage Therapist*
- Music Teacher
- Nail and Spa Salon
- Nail Salon
- Nail Technician*
- Performing Arts Theater
- Pet Grooming
- Retail Sales of Wigs and Toupees
- Sports Therapy and Rehab
- Performing Arts Studio

*Cosmetologists, Massage Therapists, and Nail Technicians who are not the principle owner of a business, but rent space from the business owner: \$ 25

Private Club \$ 575

Private School \$ 525

Residential Rental License w/Good Landlord Discount

- Single Family.....\$ 75
- Duplex\$ 100
- 3 + Units \$ 100 + \$ 10/unit

Residential Rental License w/o Good Landlord Discount

- Single Family.....\$ 175
- Duplex\$ 225
- 3 + Units \$ 125 + \$ 40/unit

Retail Sales/Rentals \$ 400

- Auto Sales
- Cellular Phone Retail Sales
- Computer Sales/Service
- Furniture Sales
- Printing, Copy, Design, Visual Communications
- Rental Center
- Retail Sales
- Retail Sales—Non-profit
- Scuba Diving Sales and Service
- Supply Store
- Tire Center
- Used Auto Sales

Smoke Shop \$ 1,075

Solicitor \$ 25

- Door-to-door sales

Storage \$ 25 + .25 per unit

- Self-Storage Units Rental
- Storage Facility

Temporary Vendor \$ 25

Vending (Redbox) \$ 25

If you are uncertain of which license category your business falls under, please call 801-622-2709.



South Ogden City

James F. Minster
Mayor

Matthew J. Dixon
City Manager

May 17, 2013

Dear South Ogden Rental Property Owner:

The South Ogden City Council recently determined that the city would greatly benefit by the adoption of a Good Landlord Program. The city recently completed the required business license study in order to implement a program, and is now moving forward.

What is a Good Landlord Program?

A Good Landlord Program addresses issues related to rental properties, i.e. increased police service calls, code violations, etc. The program educates landlords on aspects of property management that encourage the elimination of code violations and public nuisances, and requires them to screen tenants to prevent illegal activity on rental properties. The program gives landlords the tools they need to screen tenants, deal fairly with issues, and ensure that their properties remain well-maintained and marketable. All this contributes to the quality of life within our neighborhoods.

The adoption of a Good Landlord Program will require that the owner of a residential rental property in South Ogden obtain a business license. However, by participating in and complying with the Good Landlord Program, the fee for the license will be greatly reduced. The basic reasoning is that rental properties cost the city more due to the higher volume of service calls (police, EMS, code violations) to such properties. However, if a landlord chooses to become a member of the Good Landlord Program, those fees are discounted with the assumption that calls will be reduced due to the screening of tenants and adherence to code.

What are the benefits of a Good Landlord Program?

The benefits of a Good Landlord Program to the city have already been mentioned, but how does it benefit you as a landlord? Here is a summary of program benefits:

- More profitable property ventures
- Potential increase in property values
- Education on tenant/landlord law
- Better maintained properties
- Decreased crime
- Business license fee reduction

The city council feels that the benefits of a Good Landlord Program will improve neighborhoods and increase the quality of life in South Ogden.

They will hold a public hearing to receive input on the proposed adoption of a Good Landlord Program, on **Tuesday, May 21, 2013 at 6 p.m.**, in the council chambers of City Hall, located at 3950 Adams Ave, South Ogden City, 84403. Anyone interested is invited to attend and offer comment.

Sincerely,


Leesa Kapetanov
City Recorder
801-622-2709 · Fax 801-622-2713
lkapetanov@southogdencity.com

Proposed Rental License Fees

Single Family\$ 175
Duplex.....\$ 225
3 + Units..... \$ 125 + \$50 per unit

**Proposed Rental License Fees
With Good Landlord Discount**

Single Family \$ 75
Duplex..... \$ 100
3 + Units.....\$ 100 + \$10 per unit

South Ogden City

GOOD LANDLORD INCENTIVE PROGRAM

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1.010 PURPOSE

South Ogden City's good landlord incentive program is operated with the city's landlord training program, established under title***** of the South Ogden Municipal code, and the city's adoption of disproportionate impact fees as it affects rental dwellings. The goal of the program provides a financial incentive to landlords of any size rental property who implement the objectives of the landlord training program, keep their properties free of criminal activity, and also maintain their properties free of certain code violations. The program authorizes a discount towards "disproportionate impact fees" assessed against rental dwellings under the city's business licensing regulations. Disproportionate impact fees are assessed based on the disproportionate police and fire services provided to rental dwellings, as an overall business licensing classification. The discount is provided to landlords who help the city reduce the demand for such disproportionate services, by implementing the objectives of the landlord training program and attempting to reduce criminal activities on rental properties. The program also attempts to encourage and reward those landlords who maintain their properties free of code violations.

1.020 POLICIES

A. Applications. It is the policy of the city that applications are made online to maximize program accessibility and to increase the city's efficiency and use of resources in operating the program. The city will provide resources at city offices to assist applicants without access to online resources or who need special assistance in using such resources.

B. The aspects of property management implemented in this program are found to be related to the control and prevention of illegal activity on rental property.

1.030 RESPONSIBILITIES

A. Primary responsibility for coordinating the program is delegated to the Police Department with the day to day operations managed by the business license coordinator or any successor division manager responsible for business licensing.

B. IT division of the Administrative Services department shall provide support services to allow access to online program applications, and to assist in establishing the internal technical mechanisms for determining program compliance among the departments of the city.

C. Code Enforcement, Fire Department and Building Inspector, or any successor division responsible for code enforcement, shall assist in identifying rental dwellings not in compliance with city codes and the Good Landlord Program.

D. Police department shall develop procedures for the identification of landlords or rental dwellings that may not comply with those aspects of the program related to criminal activity on the premises or the failure to adequately screen tenants.

1.040 PROGRAM AGREEMENT AND REQUIREMENTS

The landlord incentive program requirements are of two (2) types. The first type of requirement is related to overall requirements that must be met by the landlord before any incentive may be provided. The second type of requirement is directly related to the rental dwellings themselves. Failure to meet the second type of requirement at one rental dwelling will not affect incentives earned related to other rental dwellings owned by the landlord.

AGREEMENT:

A. Landlord Requirements. Landlord agrees to perform the following.

I. Tenant Screening. Landlord shall perform all of the following screening requirements for all tenants prior to move-in:

- Criminal Background Check. Landlord shall obtain a criminal history for each tenant and each occupant of the premises who is 18 years or older, including information from the Utah Sex Offender Registry, to verify whether the tenant or occupants over 18 years of age are registered sex offenders. Landlord shall keep all criminal histories on file for the full term of the lease.
- Driver's License or State Identification. Landlord shall require every prospective tenant to provide a Driver's License or State Identification card, which Landlord shall copy and keep on file for the full term of the lease.
- Credit Check. Landlord shall obtain a credit history from every prospective tenant over the age of 18. Landlord shall keep the credit application on file for the full term of the lease.

- Income/Employment Verification. Landlord shall obtain income/employment verification from every prospective tenant.
- Rental References. Landlord shall obtain and verify contact information for all previous landlords within the last three years.
- Application. Landlord shall require each prospective tenant to complete a Rental Application, which shall include the tenant's social security number and date of birth. Landlord shall keep the Application on file for the full term of the lease.

II. Tenant Selection. Landlord shall consider the following criteria, at a minimum, for tenant selection and will refuse to rent to any prospective tenant(s) or other occupants found to:

- False information. Provides false information to the Landlord on the Application or otherwise.
- Convictions. Have been convicted of multiple (more than one) drug or alcohol related crimes in the past four years (Landlord may deny rental at their discretion for a single conviction); any crime related property damage, prostitution, violence of any kind, assault, or crimes that involve weaponry of any kind in the past four years.
- Sex Offender Registry. Appear on the Utah Sex Offender Registry. Landlords leasing to a sex offender(s) whose conviction was over 4 years old must comply with UCA 77-27-21.7 related to "Protected Areas."
- Controlled Substance. Have been convicted of distribution of a controlled substance.
- Probation and/or Parole. Are on court-ordered probation or parole.

III. Lease Agreement. Landlord shall execute a valid, written Lease Agreement with each tenant. Landlord Lease Agreement should include language allowing landlord the ability to evict a tenant if they violate the terms and conditions of the Good Landlord Program.

IV. Landlord Training. Landlord agrees to attend a City-approved landlord training program at least every two years.

V. Calls for Service and City Ordinance Violations. All of Landlord's rental dwelling units shall be free of any and all South Ogden City Ordinance Violations. Landlord shall maintain all rental dwelling units in accordance with the South Ogden Ordinance requirements. Landlord's rental dwelling units shall also be free of any and all South Ogden City Building, Zoning, and Fire Code Violations. If the Landlord has questions regarding Building, Zoning, and Fire Code requirements, Landlord may contact the relevant City department for assistance. Landlord shall not permit criminal activity on the premises of Landlord's rental dwelling units. Landlord shall not permit more than one ordinance violations annually.

VI. Eviction. Landlord lease agreements must provide Landlord with the ability to promptly evict problem tenants that are involved in drugs, criminal activity, or other illegal activities.

VII. Penalties. One or more of the following shall be considered a violation of the terms and conditions of this Agreement:

- Unresolved Ordinance Violations related to the property.
- Failure to screen tenants under Section “A” Landlord Requirements of this Agreement.
- Failure to obtain and have on file, information required to be maintained by this Agreement.
- Failure of Landlord to execute a valid, written lease agreement with the required Good Landlord Program language requirements.
- Failing to evict tenant(s) under this Agreement found to be involved in any criminal activity while residing in one of Landlord’s rental units
- Failure to notify the South Ogden City Police Department with the following information when Landlord tows a vehicle: vehicle/owner information, towing company, reasons for towing the vehicle.

The Landlord's unit may be immediately terminated from the Good Landlord Program and shall be subject to the FULL AMOUNT OF ALL REQUIRED BUSINESS LICENSE FEES AS WELL AS ANY FINES ASSOCIATED WITH THE VIOLATION OF THIS AGREEMENT, WHICH SHALL BE DUE AND PAYABLE UPON TERMINATION FROM THE PROGRAM. FURTHER, IN SOME INSTANCES, VIOLATIONS OF THIS AGREEMENT AND TERMINATION FROM THE PROGRAM MAY RESULT IN SUSPENSION OR REVOCATION OF THE LANDLORD'S BUSINESS LICENSE.

IF A PROPERTY/RENTAL UNIT IS TERMINATED FROM THE PROGRAM, THE PROPERTY/RENTAL UNIT MAY NOT BE ELIGIBLE FOR READMISSION UNTIL THE BUSINESS LICENSE RENEWAL PERIOD.

VIII. Towing Obligations. Landlord shall notify the South Ogden City Police Department before authorizing any vehicle tow from the property unless the vehicle blocks an entrance or an exit. Landlord shall post at least two signs of the name of the towing company and contact information in conspicuous places such that the information is readily available. Notice given in house rules to residents shall be sufficient notice for enforcement upon residents and tenants.

IX. Additional Tasks at the Request of CITY. Landlord agrees to perform the following tasks at the request of CITY:

- Response to written notifications (electronic or otherwise) from the City, in accordance of this Agreement, within ten (10) business days;
- Participation in any electronic notification systems to the extent the landlord is available;
- Provide City with any and all landlord contact information requested;
- Commence eviction of tenants that jeopardize the landlord's membership status in the Program (i.e. continued ordinance violations, criminal offenses, etc.) when eviction is legally permissible; and
- Provide to the City, upon request, the documentation that evidences Landlord's compliance with this Agreement and the Program.

B. City Requirements. The City reserves the right to waive, amend, or otherwise forgive Landlord's violations of this Agreement, if, at the City's sole discretion, grounds exist for such a determination.

I. Admittance to Program. Admit any eligible Landlord who has duly complied with the minimum Program requirements for admission.

II. Consideration and Fee Reduction. In consideration of Landlord's admission, participation and compliance in the Program, the City shall reduce the Landlord's business license fee.

III. Conduct inspections. The City shall conduct at least two annual inspections at Landlord's request to identify problems or violations of law without penalty.

IV. Compliance. The City shall ensure compliance with the agreement for each Landlord admitted to the Program.

1.050. Term of Agreement. This Agreement shall commence upon execution by the parties and shall continue for the business license period and be automatically renewable annually, provided Landlord remains in compliance with all Good Landlord Program requirements and this Agreement.

1.060. Termination. If Landlord fails to fulfill his obligations under this Agreement or violates this Agreement, the CITY shall have the right to immediately terminate this Agreement by written notification to the Landlord. The term "breach of agreement" includes, but is not limited to, failure to comply with any federal, state, or local laws or regulations. Notwithstanding the above, Landlord shall not be relieved of liability to the CITY for damages sustained by any breach by Landlord.

1.070. Independent Contractor. It is understood and agreed that Landlord is an independent contractor, and that the officers and employees of Landlord shall not be employees, officers, or agents of the CITY; nor shall they represent themselves to be CITY employees; nor shall they be entitled, by the execution of this Agreement, to any benefits or protections that would otherwise be available to CITY employees.

1.080. Conflict of Interest. Landlord warrants that no CITY employee, official, or agent has been retained by Landlord to solicit or secure this Agreement upon an agreement or understanding to be or to become an office, agent, or employee of Landlord, or to receive a commission, percentage, brokerage, contingent fee, or any other form of compensation.

1.090. Indemnification. To the fullest extent permitted by law, Landlord agrees to indemnify, defend, and hold the CITY harmless from and against any and all lawsuits, damages, and expenses, including court costs and attorney's fees, by reason of a claim and/or liability imposed, claimed, and/or threatened against.

1.100. Assignment. Neither party shall assign any rights or interest herein without prior written consent of the other party except in cases of transfer of ownership. In cases of a change of property ownership, the new owner must provide their contact information to the city within 30 days, whereupon a new business license must be obtained by the new owner. The new owner may apply for membership status in the Good Landlord Program.

1.110. Attorney's Fees. If default occurs, the defaulting party agrees to pay all costs incurred by the non-defaulting party in enforcing this Agreement, including reasonable attorney's fees, whether by in-house or outside counsel and whether incurred through initiation of legal proceedings or otherwise.

1.120. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall remain valid and binding upon the parties.

1.130. Entire Agreement. This Agreement contains the entire agreement between the parties, and no statement, promise, or inducements made by either party or agents for either party, which are not contained in this written Agreement, shall be binding or valid.

1.140. Modification of Agreement. This Agreement may be modified only by written amendment executed by all of the parties hereto.

1.150. Applicable Law. This agreement shall be governed by the laws of Utah.

1.160. Notices. All notices, requests, demands, and other communications required under this Agreement, except for normal, daily business communications, shall be in writing. Such written communication shall be effective upon personal delivery to any party or upon being sent by overnight mail service; by facsimile (with verbal confirmation of receipt); or by certified mail, return receipt requested, postage prepaid, and addressed to the respective parties :

If to the Landlord:

Landlord: _____

Phone: _____

Fax: _____

Email: _____

If to the CITY: South Ogden City Corporation
 Attn: Business Licensing – Good Landlord Program
 3950 South Adams Ave.
 South Ogden, Utah 84403
 Phone: (801) 622-2700
 Fax: (801) 622-2714

Either party may change its address for purposes of this Agreement by giving written notice to the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Owner or Owner's Agent:

By (print full name):

Signature:

Title:

On this _____ day of _____, 20____.

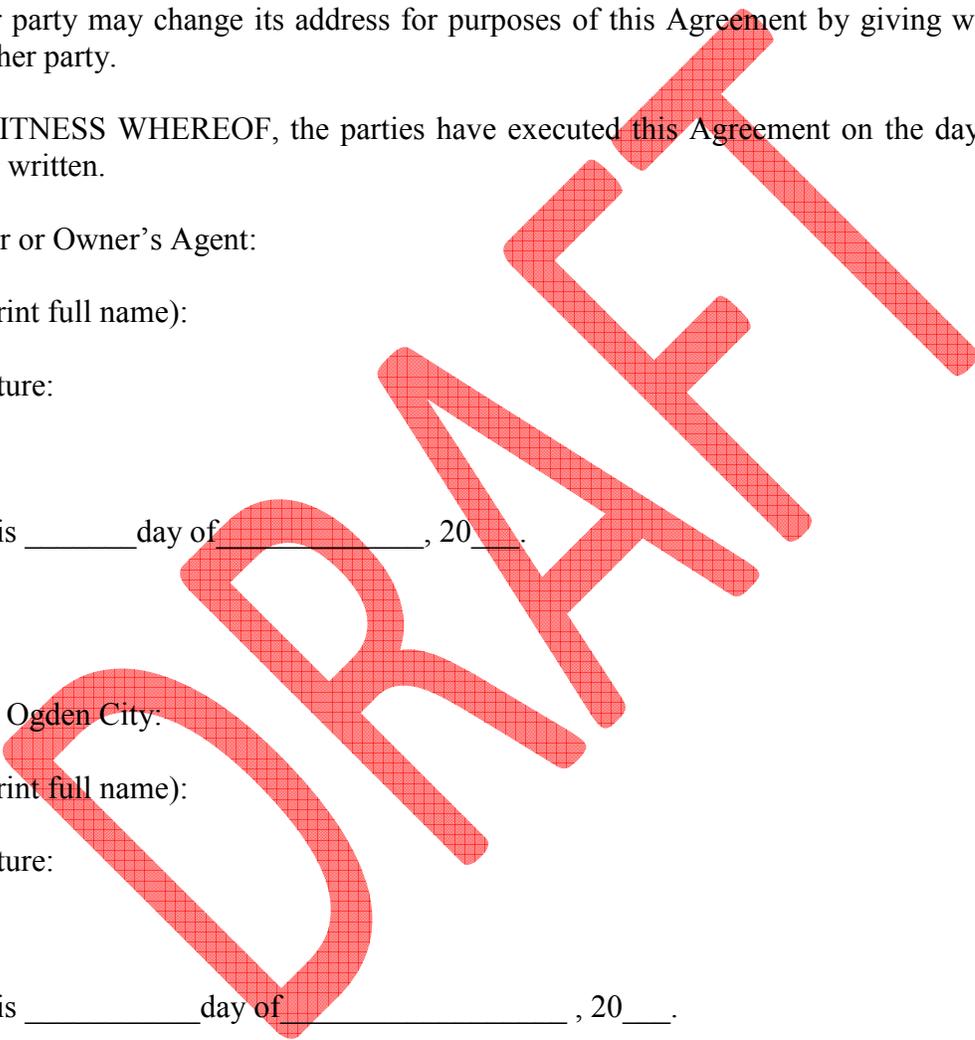
South Ogden City:

By (print full name):

Signature:

Title:

On this _____ day of _____, 20____.



ORDINANCE NO. 13-11

AN ORDINANCE OF SOUTH OGDEN CITY, UTAH, REVISING AND AMENDING VARIOUS SECTIONS OF THE CITY CODE OF SOUTH OGDEN REPLACING THE BOARD OF ADJUSTMENT WITH AN APPEAL AUTHORITY; MAKING NECESSARY LANGUAGE CHANGES TO THE CITY CODE TO EFFECT THOSE CHANGES; AND ESTABLISHING AN EFFECTIVE DATE FOR THOSE CHANGES.

Section 1 - Recitals:

WHEREAS, SOUTH OGDEN City (“City”) is a municipal corporation duly organized and existing under the laws of the State of Utah; and,

WHEREAS, the City Council finds that in conformance with the provisions of Utah Code (“UC”) §10-3-717, and UC §10-3-701, the governing body of the city may exercise all administrative and legislative powers by resolution or ordinance; and,

WHEREAS, the City Council finds that in conformance with the provisions of UC §10-3-717, and UC §10-3-701, the governing body of the city has previously adopted a City Code which, among other things, deals with how appeals are handled on and for various decisions made by city officials and boards and related issues; and,

WHEREAS, the City Council finds that South Ogden City Code, is based on and adopted in conformance with the authority granted to the City by UC Title 10; and,

WHEREAS, the City Council finds that it is in the public interest to manage and regulate how appeals are handled on and for various decisions made by city officials and boards and related issues; and,

WHEREAS, the City Council finds that South Ogden City Code, should be amended by the addition of new language governing how appeals are handled on and for various decisions made by city officials and boards and related issues for and on behalf of the city; and,

WHEREAS, the City Council finds that the requirements herein should be effective upon passage of this Ordinance; and,

WHEREAS, the City Council finds that the public safety, health and welfare is at issue in this matter and requires action by the City as noted above;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF SOUTH OGDEN CITY, UTAH that the City Code be changed and amended to as follows:

Amended Section:

Upon the adoption of this Ordinance, the following sections are amended and adopted to read as follows:

Title 10, Chapter 4 of the City Code is hereby rescinded and re-codified to read as follows.

APPEAL AUTHORITY/HEARING OFFICER

10-4-1: APPOINTMENT, TERM AND REMOVAL:

10-4-2: ORGANIZATION AND MEETINGS:

10-4-3: APPEALS:

10-4-4: STAY OF PROCEEDINGS PENDING APPEAL:

10-4-5: NOTICE OF MEETING ON APPEAL; RIGHT OF APPEARANCE:

10-4-6: POWERS OF HEARING OFFICER ON APPEAL:

10-4-7: DECISION ON APPEAL:

10-4-8: VOTE NECESSARY FOR REVERSAL:

10-4-9: JUDICIAL REVIEW OF APPEAL AUTHORITY'S DECISION; TIME LIMITATION:

10-4-10: TIME LIMITATION OF VARIANCE:

10-4-11: FILING FEE:

10-4-12: COMPENSATION OF APPEAL AUTHORITY:

10-4-13: DEFINITIONS:

10-4-1: APPOINTMENT, TERM AND REMOVAL:

The Appeal Authority ("Hearing Officer") shall be a single individual, appointed by the mayor, with the advice and consent of the city council, for a term of three (3) years and may be appointed for succeeding three (3) year terms.

- A. The Hearing Officer shall, as a minimum, have such training and experience as will qualify them to conduct administrative or quasi-judicial hearings regarding land use, land development, and regulatory codes dealing with issues related to land use and have knowledge and familiarity with constitutional due process rights.
- B. The mayor may remove the Hearing Officer for cause upon receipt of written charges filed against the Hearing Officer, after a public hearing, if requested and upon the advice and consent of the city council.
- C. In the case of death, resignation, removal or disqualification, the position of Hearing Officer shall be promptly filled by a replacement appointed by the mayor with the advice and consent of the city council for the unexpired term of the previous Hearing Officer.
- D. The Hearing Officer shall be considered an independent contractor.
- E. The mayor may, from time to time, appoint a Hearing Officer pro tempore temporarily when necessitated by the absence, unavailability, incapacity or disqualification of the regularly appointed Hearing Officer, upon the advice and consent of the city council. Each Hearing Officer pro tempore shall, as a

minimum, have qualifications similar to those specified in subsection A of this section.

10-4-2: ORGANIZATION AND MEETINGS:

The Hearing Officer shall adopt rules in accordance with state law, this chapter and any other applicable ordinance. Meetings of the Hearing Officer shall be held at such times as the Hearing Officer may determine. The Hearing Officer may administer oaths and compel the attendance of witnesses. All meetings of the appeal authority shall be open to the public.

- A. Minutes; Records: The Hearing Officer shall keep minutes of its proceedings, and shall keep records of its examinations and other official actions; all of which shall be immediately filed in the office of the city recorder and shall be a public record.
- B. Routine, Uncontested Matters: The mayor, with the advice and consent of the city council, may appoint a zoning administrator to decide routine and uncontested matters of the appeal authority, in concurrence with the city attorney, as designated by the appeal authority, and under its established guidelines. Any person aggrieved by a decision of the zoning administrator may appeal the decision to the Hearing Officer, as provided in this chapter.

10-4-3: APPEALS:

Any person aggrieved by his inability to obtain a building permit, or by the decision of any administrative officer or agency based upon or made in the administration or enforcement of this title, or any part of this code related to a decision of a land use application, land development, or City regulatory codes or a variance may take an appeal to the Hearing Officer. Appeals to the appeal authority may be taken by any officer, department, board or bureau of the city affected by the grant of or refusal to grant a building permit or by any other decision of an administrative officer or agency based on or made in the administration or enforcement of this title, or any part of this code related to a decision of a land use application, land development, or City regulatory codes or a variance.

- A. Time To Appeal: Any appeal, under this section must be filed in writing with the city recorder within fourteen (14) calendar days of the issuance of the written decision applying the land use ordinance.
- B. Time For Hearing Appeal: The Hearing Officer should hear the appeal within fifteen (15) to thirty (30) days of the date the appeal was filed.
- C. Written Statement Setting Forth Theories of Relief Required: The appellant shall deliver to the Hearing Officer and all other participants, five (5) business days prior to the hearing, a written statement setting forth every theory of relief he intends to raise at the hearing, with a brief statement of facts in support.
- D. Condition Precedent to Judicial Review: No theory of relief may be raised in the district court unless it was timely and specifically presented to the Hearing Officer.

- E. Standard of Review and Burden of Proof on Appeal: The Hearing Officer shall, on appeal, presume that the decision applying the land use ordinance is valid and determine only whether or not the decision is arbitrary, capricious, or illegal. The burden of proof on appeal is on the appellant.
- F. Due Process Rights: The Hearing Officer shall respect the due process rights of each participant.

10-4-4: STAY OF PROCEEDINGS PENDING APPEAL:

An appeal stays all proceedings in furtherance of the action appealed from, unless the officer from whom the appeal is taken certifies to the Hearing Officer after the notice of appeal shall have been filed with him that by reason of facts stated in the certificate, the stay would in his opinion cause imminent peril to life or property. In such case, proceedings shall not be stayed otherwise than by restraining order which may be granted by the Hearing Officer or by the district court on application and notice and on good cause shown.

10-4-5: NOTICE OF MEETING ON APPEAL; RIGHT OF APPEARANCE:

The Hearing Officer shall fix a reasonable time for hearing the appeal, give public notice as well as due notice to the parties in interest and shall decide the same within a reasonable time. At the hearing, any party may appear in person or by agent or by attorney.

10-4-6: POWERS OF HEARING OFFICER ON APPEAL:

The Hearing Officer shall have the following powers:

- A. Appeals: To hear and decide appeals where it is alleged by the appellant there is error in any order, requirement, decision or refusal made by administrative official or agency based on or made in the enforcement of this title.
- B. Special Exceptions: To hear and decide, under this title, requests for "special exceptions" or for interpretation of the map or for decisions on other special questions on which such authority is authorized by this title to pass.
- C. Variances: To authorize, on an appeal, a variance from strict application of the regulations where, exceptional narrowness, shallowness or shape of a specific piece of property at the time of the enactment of the regulation, or by exceptional topographic conditions or other extraordinary and exceptional situations or conditions of such piece of property, the strict application of any regulations enacted would cause peculiar and exceptional practical difficulties to, or exceptional and undue hardships upon, the owner of such property. The variance from such strict application can be granted to relieve such difficulties or hardships, provided such relief may be granted without substantial detriment to the public good and without substantial impairment to the intent and purpose of the master plan and this title. Before any variance may be authorized, however, it shall be shown that:

1. The variance will not substantially affect the comprehensive plan of zoning in the city and that adherence to the strict letter of this title will cause difficulties and hardships, the imposition of which upon the petitioner is unnecessary to carry out the general purpose of the plan.
 2. Special circumstances are attached to the property covered by the application which do not generally apply to other properties in the same zone.
 3. Because of said special circumstances, property covered by the application is deprived of privileges possessed by other properties in the same zone; and that granting the variance is essential to the enjoyment of a substantial property right possessed by other property in the same zone.
 4. In determining whether enforcement of the land use ordinance would cause unreasonable hardship, the appeal authority may not find an unreasonable hardship if the hardship is self-imposed or economic.
- D. Nonconforming Uses: To permit the enlargement of, addition to, or relocation of a building or structure, nonconforming as to use regulations, the following shall apply:
1. For a nonconforming use in a residential zone, the enlargement, addition or relocation shall either:
 - a. Comply with all the height, yard and area requirements for a single-family dwelling in the zone in which the nonconforming building is located; or
 - b. The proposed enlargement, addition or relocation will either:
 - (1) Improve the area by increasing the off street parking; or
 - (2) Improve the general appearance, convenience or safety of the area.
 2. For a nonconforming use in any zone other than a residential zone, the enlargement, addition or relocation shall comply with all height, yard and area requirements for a main building, other than dwellings, in the zone in which it is located.
 3. Before granting a permit for any enlargement, addition or relocation, the Hearing Officer shall find in its public meeting that the proposed changes will not hinder or obstruct the attainment of the objectives in section 10-1-2 of this code more than does the existing nonconforming use.
- E. Nonconforming Yard, Height Or Area Regulations: To allow those enlargements of, additions to or relocation of buildings and structures, nonconforming as to yard, height or area regulations, where an undue hardship will result to the owner of the land involved unless granted and the attainment of the objectives in section 10-1-2 of this code will not be hindered or obstructed, and provided the proposed enlargement, addition to or relocation of will either:

1. Improve the area by increasing needed off street parking; or
 2. Improve the general appearance, convenience or safety of the area.
- F. Extension Of Use: To permit, where a zone boundary line divides a lot in single ownership at the time of establishment of said boundary, a use authorized on either portion of such lot to extend to the entire lot, provided such permission shall not authorize the use to extend over thirty five feet (35') beyond the zone boundary line or extend to an area greater than five thousand (5,000) square feet beyond the said boundary line.
- G. Changes In Nonconforming Uses: To permit a nonconforming use to be changed to another use allowed in the same or a more restrictive zone than the one in which the nonconforming use would be allowed; provided, that the Hearing Officer finds in its public meeting such change will not hinder or obstruct the attainment of the objectives in section 10-1-2 of this code more than does the existing nonconforming use.
- H. Use Permitted Without Street Frontage: To permit the construction and use of a dwelling upon a lot which does not have frontage on a street, but has frontage on a dedicated right of way.
- I. Lot Splitting: To permit the splitting of a lot wherein such lot split creates a lot which does not have the required width of the zone in which the lot is located, provided the created nonconforming lot meets the area requirements of the zone and the structure placed on the lot meets all required site standards of the zone; and that before building permits are issued for the nonconforming split, the lot split shall be reviewed and approved by the city engineer.
- J. Burden Of Proof: The applicant shall bear the burden to prove that all of the conditions justifying a variance have been met.
- K. Variances Run With Land: Variances run with the land.
- L. Additional Requirements: In granting a variance, the Hearing Officer may impose additional requirements on the applicant that will:
1. Mitigate any harmful effects of the variance; or
 2. Serve the purpose of the standard or requirement waived or modified.

10-4-7: DECISION ON APPEAL:

In exercising the above mentioned powers, such Hearing Officer may, in conformity with this chapter, reverse or affirm wholly or partly, or may modify the order, requirement, decision or determination appealed from and may make such order, requirement, decision or determination as thereby should be made, and shall have all the powers of the officer from whom the appeal is taken.

10-4-8: VOTE NECESSARY FOR REVERSAL:

The favorable finding of the Hearing Officer shall be necessary to reverse any order, requirement or determination of any administrative official, or to decide

in favor of the appellant on any matter upon the Hearing Officer is required or entitled to decide under this code, or to effect any variation in such code or title.

10-4-9: JUDICIAL REVIEW OF APPEAL AUTHORITY'S DECISION; TIME LIMITATION:

The city or any person aggrieved by a decision of the Hearing Officer may have and maintain a plenary action for relief therefrom in any court of competent jurisdiction, provided petition for such relief is presented to the court within thirty (30) days after the Hearing Officer files his decision in the office of the city recorder.

10-4-10: TIME LIMITATION OF VARIANCE:

If the Hearing Officer grants a variance under this chapter, alterations under the variance, if required, must be activated within six (6) months after the date the variance is granted or the variance becomes null and void. The time limit of the variance may be extended an additional six (6) months by the appeal authority, and then only if the petitioner shows adequate cause to the Hearing Officer that circumstances necessitate a time extension.

If it is the case that the variance granted permits the continuation of a previously nonconforming use, that use shall continue and shall run with the land.

10-4-11: FILING FEE:

Upon filing of any appeal or application to the appeal authority, the appellant or applicant shall pay to the city a fee prescribed by the city council. The said fee shall be collected by the officer in whose office said appeal is filed and shall be deposited with the city treasurer and credited to the general fund. No appeal or application shall be considered by the Hearing Officer unless such fee has been paid.

10-4-12: COMPENSATION OF APPEAL AUTHORITY:

The Hearing Officer shall be considered an independent contractor; and as such will enter into a three (3) year contract for services at the beginning of each appointed term. Terms for compensation and reimbursement will be determined and agreed upon and approved by the city council prior to any individual entering into service as the appeal authority.

10-4-13: DEFINITIONS:

APPEAL AUTHORITY: The person, appointed by the Mayor, subject to advice and consent, to decide an appeal of a decision of a land use application, land development, or City regulatory codes or a variance.

HEARING OFFICER: The individual duly appointed as the Appeal Authority

LAND USE APPLICATION: An application required by a municipality's land use ordinance.

LAND USE AUTHORITY: A person, appeal authority, commission, agency, or

other body designated by the local legislative body to act upon a land use application.

LAND USE ORDINANCE: A planning, zoning, development, or subdivision ordinance of the municipality, but does not include the general plan.

THIS TITLE: Titles 3, 4, 7, 9, 10, or 11 of the City Code, or any other part of this City Code related to a decision of a land use application, land development, or City regulatory codes or a variance.

10-1-14: APPEALS: is amended to read:

10-1-14: APPEALS: Any person shall have the right to appeal to the Appeal Authority a decision of disapproval of a zoning ordinance or map amendment and approval or disapproval of a conditional use application as set out in Title 10, Chapter 4 of the City Code. The reasons for the appeal shall be submitted in writing to the city recorder.

10-10B-10: APPEALS is amended to read:

10-10B-10: APPEALS: If the applicant is dissatisfied with the decision of the planning commission, an appeal may be submitted to the Appeal Authority in accordance with section [10-1-14](#) of this title

12-3-5: VARIANCE PROCEDURES: Is amended to read as follows:

12-3-5: VARIANCE PROCEDURES: A. The Appeal Authority as established by 10-4-1 of this Code shall hear and render judgment on requests for variances from the requirements of this title.

- B. The Appeal Authority shall hear and render judgment on an appeal only when it is alleged there is an error in any requirement, decision, or determination made by the floodplain administrator in the enforcement or administration of this title.
- C. Any person or persons aggrieved by the decision of the Appeal Authority may appeal such decision in the courts of competent jurisdiction.
- D. The floodplain administrator shall maintain a record of all actions involving an appeal and shall report variances to the federal emergency management agency upon request.
- E. Variances may be issued for the reconstruction, rehabilitation or restoration of structures listed on the National Register of Historic Places or the State Inventory of Historic Places, without regard to the procedures in the remainder of this title.
- F. Variances may be issued for new construction and substantial improvements to be erected on a lot of one-half ($1/2$) acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in subsection [12-3-4B](#) of this chapter have been fully considered. As the lot

size increases beyond the one-half (1/2) acre, the technical justification required for issuing the variance increases.

G. Upon consideration of the factors noted above and the intent of this title, the Appeal Authority may attach such conditions to the granting of variances as it deems necessary to further the purpose and objectives of this title (see section [12-1-3](#) of this title).

H. Variances shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

I. Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

J. Prerequisites for granting variances:

1. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

2. Variances shall only be issued upon:

a. Showing a good and sufficient cause;

b. A determination that failure to grant the variance would result in exceptional hardship to the applicant; and

c. A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

3. Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

K. Variances may be issued by a community for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that:

1. The criteria outlined in subsections A through I of this section are met, and

2. The structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

Section 2 - Repealer of Conflicting Enactments:

All orders, ordinances and resolutions with respect to the changes herein enacted and adopted which have heretofore been adopted by the City, or parts thereof, which are in conflict with any of the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed, except that this repeal shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

Section 3 - Prior Ordinances and Resolutions:

The body and substance of any and all prior Ordinances and Resolutions, together with their specific provisions, where not otherwise in conflict with this Ordinance, are hereby reaffirmed and readopted.

Section 4 - Savings Clause:

If any provision of this Ordinance shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable for any reason, such reason shall not have the effect of rendering any other provision or provisions hereof invalid, inoperative or unenforceable to any extent whatever, this Ordinance and the provisions of this Ordinance being deemed to be the separate independent and severable act of the City Council of South Ogden City.

Section 5 - Date of Effect

This Ordinance shall be effective on the 21st day of May, 2013, and after publication or posting as required by law.

DATED this 21st day of May, 2013

SOUTH OGDEN, a municipal corporation

by: _____
Mayor James F. Minster

Attested and recorded

Leesa Kapetanov
City Recorder

ORDINANCE NO. 13-12

AN ORDINANCE GRANTING TO QUESTAR GAS COMPANY A FRANCHISE FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A GAS DISTRIBUTION SYSTEM IN SOUTH OGDEN CITY, WEBER COUNTY, STATE OF UTAH.

Questar Gas Company, a Utah corporation, (Questar Gas) desires to construct, maintain, and operate a gas distribution system within the City of South Ogden (City); and

The City Council has determined that it is in the best interest of the citizens of the City to grant a franchise to Questar Gas to use the roads and streets within the City for such purpose;

NOW, THEREFORE, the City Council ordains as follows:

1. **Grant of Franchise.** The City grants to Questar Gas a nonexclusive franchise (Franchise) to construct, maintain, and operate in the present and future roads, streets, alleys, highways and other public rights-of-way within City limits, including any property annexed or otherwise acquired by the City after the effective date of this Franchise, (collectively, Streets) a distribution system for furnishing natural gas to the City and its inhabitants for heating and other purposes. Questar Gas shall have the right to erect, construct, equip, and maintain along, over and under the Streets a system of mains, pipes, laterals, and related equipment (Facilities) as are reasonably necessary for supplying natural gas service in accordance with this Franchise.

2. **Consideration.** In consideration of this Franchise, Questar Gas shall pay to City the sum of \$50.00 upon acceptance of this Franchise and shall provide gas service in accordance with the terms of this Franchise.

3. **Term.** This Franchise is granted for an initial term of twenty (20) years. At the expiration of the initial term, the Franchise shall continue in effect upon the same terms and

conditions for up to two additional terms (each of which is a renewal period) of fifteen (15) years each. The City may terminate the Franchise at the end of the initial term, or at the end of any renewal period, by giving Questar Gas written notice of the City's intent to so terminate not less than ninety (90) calendar days before the expiration of the initial term or any renewal period.

4. **Acceptance.** Within sixty (60) days after the passage of this ordinance, Questar Gas shall file with the City an unconditional written acceptance of the Franchise declaring its acceptance of the Franchise and its intention to be bound by the terms and conditions of the Franchise.

5. **Construction and Maintenance of Facilities.** All Facilities shall be constructed and installed so as to interfere as little as possible with traffic over and public use of the Streets and to cause minimum interference with the rights and reasonable convenience of property owners who adjoin any of the Streets. All Facilities shall be constructed in accordance with established gas distribution construction practices and in a manner which protects the Facilities from all traffic loads. Without unreasonable additional cost to Questar Gas, all Facilities that are installed during the term of the Franchise shall be sited to be visually unobtrusive and to preserve the natural beauty and neighborhood aesthetics within the City limits.

Questar Gas shall repair or replace, at its own expense, any and all rights of way, pavements, sidewalks, street improvements, excavations, other facilities, landscaping, or other improvements, public or private, that it damages in the Franchise operations.

6. **Compliance with Ordinances--Conflict.** Questar Gas shall comply with all City ordinances, regulations and requirements and shall pay all applicable excavation fees and charges that are or may be prescribed by the City with respect to the construction, maintenance and operation of all Facilities. However, these obligations shall apply only as long as such ordinances, regulations, requirements, or fees are not preempted by or otherwise in conflict with any applicable statutory or

constitutional law, rule, or regulation, or the tariffs approved by regulatory bodies having jurisdiction over Questar Gas, including this Franchise and any lawful revisions made and accepted by Questar Gas during the term of the Franchise.

The City shall have the right to inspect the construction, operation, and maintenance of the Facilities to ensure the proper compliance with applicable City ordinances, regulations, and requirements. In the event Questar Gas should fail to comply with the terms of any City ordinance, regulation, or requirement, the City shall give Questar Gas written notice of such non-compliance and the time for correction provided by ordinance or a reasonable time for correction if there is no time frame provided by the applicable ordinance, regulation, or requirement. After written notice and failure of Questar Gas to make correction, the City may, at its sole risk, make such correction itself and charge the cost to Questar Gas including any minimum cost provided by ordinance. Nothing in this Franchise limits Questar Gas' right to oppose any ordinance, whether existing, proposed, or adopted, from and after the effective date of this Franchise.

7. **Information Exchange.** Upon request by either the City or Questar Gas, as reasonably necessary, Questar Gas and the City shall meet for the purpose of exchanging information and documents regarding construction and other similar work within the City limits, with a view towards coordinating their respective activities in those areas where such coordination may prove mutually beneficial. Any information regarding future capital improvements that may involve land acquisition shall be treated with confidentiality upon request to the extent that the City may lawfully do so.

8. **Relocation.** Upon written notice to Questar Gas, the City may require the relocation and removal or reinstallation (collectively, Relocation) of any Facilities located in, on, along, over, across, through, or under any of the Streets. After receipt of such written notice, Questar Gas shall

diligently begin such Relocation of its Facilities as may be reasonably necessary to meet the City's requirements. The Relocation of Facilities by Questar Gas shall be at no cost to the City if (i) such request is for the protection of the public health, safety and welfare pursuant to lawful authority delegated to the City; (ii) the Facilities have been installed pursuant to this or any other Questar Gas franchise and not pursuant to a property or other similar right, including, but not limited to, a right-of-way, grant, permit, or license from a state, federal, municipal or private entity; and (iii) the City provides a new location for the Facilities. Otherwise, a Relocation required by the City pursuant to such written notice shall be at the City's expense. Following Relocation of any Facilities, Questar Gas may maintain and operate such Facilities in a new location within City limits without additional payment. If a City project is funded by federal or state monies that include an amount allocated to defray the expenses of Relocation of Facilities, then the City shall compensate Questar Gas up to the extent of such amount for any Relocation costs mandated by the project to the extent that the City actually receives or is otherwise authorized to direct or approve payment of such federal or state funds; however, the City shall ensure that receipt of compensation from federal or state sources shall not restrict or otherwise obligate Questar Gas' ownership of the Facilities in any way.

Notwithstanding the preceding paragraph, Questar Gas shall not be responsible for any costs associated with an authorized City project that are not attributable to Questar Gas' Facilities in the Streets. Further, all such costs shall be allocated among all utilities or other persons whose facilities or property are subject to Relocation due to an authorized City project.

9. **Terms of Service.** Questar Gas shall furnish natural gas service without preference or discrimination among customers of the same service class at reasonable rates, in accordance with all applicable tariffs approved by and on file with regulatory bodies having jurisdiction over Questar Gas, including revisions to such tariffs made during the term of the Franchise, and in conformity

with all applicable constitutional and statutory requirements. Questar Gas may make and enforce reasonable rules and regulations in the conduct of its business, may require its customers to execute a gas service agreement as a condition to receiving service, and shall have the right to contract with its customers regarding the installation and operation of its Facilities. To secure safe and reliable service to the customers, and in the public interest, Questar Gas shall have the right to prescribe the sizes and kinds of pipes and related Facilities to be used and shall have the right to refuse service to any customer who refuses to comply with Questar Gas' rules and regulations.

10. **Indemnification.** Questar Gas shall indemnify, defend, and hold the City, its officers and employees, harmless from and against any and all claims, demands, liens, liabilities, damages, actions, and proceedings arising from the exercise by Questar Gas of its rights under this Franchise, including its operations within City limits, and Questar Gas shall pay the reasonable cost of defense plus the City's reasonable attorney fees. Notwithstanding any provision to the contrary, Questar Gas shall not be obligated to indemnify, defend or hold the City harmless to the extent that any underlying claim, demand, lien, liability, damage, action, and proceeding arises out of or in connection with any act or omission of the City or any of its agents, officers or employees.

11. **Assignment.** Questar Gas may assign or transfer its rights and obligations under the Franchise to any parent, affiliate, or subsidiary of Questar Gas, to any entity having fifty percent (50%) or more direct or indirect common ownership with Questar Gas, or to any successor-in-interest or transferee of Questar Gas having all necessary approvals, including those from the Utah Public Service Commission or its successor, to provide utility service within the City limits. Otherwise, Questar Gas shall not transfer, assign, or delegate any of its rights or obligations under the Franchise to another entity without the City's prior written approval, which approval shall not be unreasonably withheld or delayed. Inclusion of the Franchise as an asset of Questar Gas subject to

the liens and mortgages of Questar Gas shall not constitute a transfer or assignment requiring the City's prior written consent.

12. **Insurance.** The Company shall responsibly self-insure or maintain insurance to cover its obligations and liabilities as set forth in Section 10, in lieu of any insurance as may be required in any City ordinances.

13. **Bonding.** If City ordinance requires Questar Gas to post a surety bond, that section of the ordinance is expressly waived.

14. **Effect of Invalidity.** If any portion of this Franchise is for any reason held illegal, invalid, or unconstitutional, such invalidity shall not affect the validity of any remaining portions of this Franchise.

15. **Amendment.** This ordinance shall not be altered or amended without the prior written consent of Questar Gas.

16. **Effective Date.** This ordinance shall become effective upon the date of acceptance by Questar Gas as established above.

APPROVED and ADOPTED this _____ day of _____, 20____.

South Ogden City

ATTEST:

City Recorder

By _____
Mayor

By _____
Council member

Voting Outcome

Council member _____
Council member _____
Council member _____
Council member _____
Council member _____

Yes	No
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

QUESTAR GAS COMPANY

By: _____
Craig C. Wagstaff
Vice President and General Manager

CITY ACKNOWLEDGMENT

STATE OF UTAH)
 : ss
COUNTY OF WEBER)

On the ____ day of _____, 20____, personally appeared before me _____, who being duly sworn, did say that he is the Mayor of **SOUTH OGDEN CITY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Mayor acknowledged to me that the City executed the same.

Notary Public

My Commission Expires:

Residing at:

QUESTAR GAS ACKNOWLEDGMENT

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

On the ____ day of _____, 20____, personally appeared before me Craig C. Wagstaff, who being by me duly sworn did say that he is Vice President and General Manager of **QUESTAR GAS COMPANY**, a Utah corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors; and he acknowledged to me that said corporation executed the same.

Notary Public

My Commission Expires:

Residing at:
