

PAYSON CITY  
CITY COUNCIL MEETING AND WORK SESSION  
Payson City Center, 439 W Utah Avenue, Payson UT 84651  
Wednesday, July 21, 2021

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Brett Christensen (6:30 p.m.), Linda Carter, Taresa Hiatt, Brian Hulet, Bob Provstgaard, William R. Wright

STAFF PRESENT Jason Sant, City Attorney  
Cathy Jensen, Finance Director  
Kim E. Holindrake, City Recorder  
Brad Bishop, Police Chief  
Nestor Gallo, Development Services Director  
Travis Jockumsen, Public Works Director/City Engineer  
Scott Spencer, Fire Chief  
Jill Spencer, City Planner  
Chris Van Aken, Planner II  
Janeen Dean, Community Events Coordinator  
Dale Shaw, IT  
Brian Stevenson, Electrical Superintendent

PLANNING COMMISSION Kirk Beecher, Kit Morgan, Blair Warner

OTHERS Doug Finch, Terry Harward, Trent Beasley, Doug Hunter - UAMPS

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 6:00 p.m. The meeting was properly noticed.

A. PRAYER & PLEDGE OF ALLEGIANCE

Prayer offered by Bob Provstgaard.

Pledge of Allegiance led by Linda Carter.

B. CONSENT AGENDA

1. Approval of the July 7, 2021 City Council Meeting Minutes

**MOTION: Councilmember Hulet – To approve the consent agenda.** Motion seconded by Councilmember Provstgaard. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

C. PETITIONS, REMONSTRANCES & COMMUNICATIONS

1. Public Forum

Doug Finch stated he is a property owner on the west side of the City near Red Bridge where there is a lot of development activity. He has been excited to see the forward thinking of the staff on the

General Plan amendments. He would like to see the area concept move forward and preserve some of the great things we love about this part of the County. The road plan is a significant item to consider with an east-west corridor and the 800 South extension. The City has worked to get ahead of development, and he appreciates the management. He would like to know the progress that is or isn't happening with the Utah Valley University (UVU) extension and MTECH. He wants to make sure the PID's keep their timelines. He gives the City his support.

Mayor Wright stated he has spoken to representatives of MTECH and UVU, and they are moving forward.

Councilmember Hulet noted the property for MTECH will be donated in the next 30 days, a group is working with the architects on the building, and funding for the building is being secured.

## 2. Staff and Council Reports

### Staff Reports

IT – Dale Shaw stated this past week Clearfield City was hit with ransomware. It's out there and real. He found one city computer affected with ransomware, but the malware caught and removed it off the network. A year ago, the City invested in technology called Darktrace that monitors the networks 100% of the time, looks for anomalies, and stops them. Every month he sends a fishing test to staff and about 10 people click on something they shouldn't. These ransomware people want hundreds of thousands of dollars. Payson does not store any financial records on its drives. All city personal devices are not on the city network; only authorized systems can be on the city network.

POLICE – Chief Brad Bishop reported the Police Department is helping neighborhood communities with their celebrations, and they will help with Payson's celebration.

COMMUNITY EVENTS – Janeen Dean reported the Scottish Festival was the largest ever and well attended. She received great feedback and thanked Mayor Wright and the Council for attending. The Rock Festival is Friday, July 30 from 2:30 to 10 p.m. and Saturday, July 31 from 10 a.m. to 10 p.m. The event includes over 20 bands, very fun youth bands, education vendors, food trucks, and inside food vendors. The Salmon Supper is sold out with 4,200 tickets.

FIRE AND AMBULANCE – Chief Spencer stated troops will be out again on fireworks patrol, and he hope to have good participation from residents. Signage has been put around Memorial Park restricting fireworks. He will have patrols check the ballfield areas. The Department passed the state paramedic licensing inspection last Friday and are just waiting for signoff. Paramedic licensing gives relief for the hospital. The September 11 event recognizing those who lost their lives and served is moving forward with a run/walk as well as running the bleachers at the high school, which is similar to fire fighters running the towers. There will be a showcase of the fire fighter equipment. He's hoping for a good turnout from the public and fire fighters. Those who sign up early will receive a T-shirt and some swag. Mayor Wright noted it is also the National Day of Service.

### Council Reports

Councilmember Hulet stated the Scottish Festival was great.

Councilmember Carter enjoyed the Scottish Festival; everyone was so welcoming and kind. It's nice to have bands in the park on Sunday nights; she encouraged people to attend. She appreciates everyone working for the city.

Councilmember Provstgaard reported the day of service for 9/11 is huge with 18,000 volunteers. They are looking for 10,000 volunteers to serve in Payson over four to five hours. The Recreation Department came up with a list of projects, and the Streets Division is looking at a project at Kiwanis Park and Hollow Park. He would like to know of any additional projects from staff. He would like to see a project or two at Forebay. A shout out to staff who respond to emails with requests and complaints; these are answered in such a timely basis.

Councilmember Hiatt stated the City has a new business, Sandstone Psychology, which is a mental health business, and they are taking new patients. Payson is blessed to get this business into the community because people need help now because people needing assistance are waiting 8 to 10 weeks. Excel Chiropractic is also a new business. The Payson/Santaquin Chamber has an event every Monday night at the Santaquin Park with food, booths with items, and entertainment. The Scottish Festival was very fun. She thanked all the staff.

Mayor Wright stated he attended the Scottish Festival. Everyone was extremely excited; the venue was wonderful. Many complimented on the hometown feel. The clans were tickled to be involved. He drove with Ken Fowden along some city streets; Payson has been without a corridor staff for a while. The road to the Flying J area has been cleaned with 5-6 loads of debris being removed. Behind Payson Market, 300 East on 600 North, was cleaned up as well as SR-198 south from the Junior High to the Dry Creek bridge. The City is trying to maintain its corridors. He is thankful for the superintendents who keep him abreast of issues throughout the City.

3. Scout Attendance Certificates

No scouts present.

4. Chamber Business of the Month

This item was not addressed.

D. ACTION ITEMS

1. Amendments to Villages at Arrowhead Park, Plat F (6:35 p.m.)

Staff Presentation:

Jill Spencer stated this plat has already been approved but not recorded. The developer is asking to include additional open space, wetland area, and retention area. She reviewed the current layout of the Villages at Arrowhead Park, Phases 1 through 11, and the area being added to Plat F.

Applicant Presentation:

Terry Harward stated the main benefits of the added open space is to have the trail system in use. The trail will be completed to loop throughout the phases, which is being built now.

**MOTION: Councilmember Hulet – To approve the amendments to the Villages at Arrowhead Park, Plat F.** Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Brett Christensen, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

2. Resolution – Villages at Arrowhead Park Development Agreement (Phases 5 & 6) (6:41 p.m.)

Staff Presentation:

Jill Spencer stated the development agreement outlines the terms and obligations of the applicant as well as the approvals from the City Council. Section I, Residential Dwelling Design Elements, needs some work regarding architectural treatments on the corner side of buildings along streets. There are about 17 lots affected. The applicant has expressed concerns with some of the wording. They would like additional conversation but are concerned with timing. They understand the reasoning of the requirement and are not opposed to accomplishing that goal. They want to see the agreement approved but work out the language with the City Attorney.

Jason Sant stated he is not opposed to approving the agreement and allowing him to work out the language. The concern comes from the builder's standpoint in that some residents see the development agreement and have concerns with the requirements because they will have to pay for it. It should be a fairly simple fix. The motion should include that he and the development staff work out the language for this section.

Council Discussion:

Councilmember Hulet suggested it be brought back to the Council on the consent agenda once the language is worked out so the Council approves the final document. The Council has been addressing several of these documents that are changed following approval. It's difficult to approve something and have it changed later.

Applicant Presentation:

Trent Beasley stated the push back is from the builders. They are on the same page as the City, but the builders get in little disputes over working details. The issue is the term "appealing architectural features" means something different to him, the City, the builder, and the buyer. A previous builder came in to get a permit, this was pulled up, and interpretations became a problem. He asked that approval not be delayed. The language can be easily fixed and won't change the end result.

**MOTION: Councilmember Provstgaard – To approve (resolution) the Villages at Arrowhead Park Development Agreement (Phases 5 and 6) as outlined with the staff (City Attorney and Development Services staff) coming to acceptable verbiage for the City in enforcing the intent of what is in question.** Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Brett Christensen
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Bob Provstgaard

3. Resolution – Review of UAMPS Power Project (6:50 p.m.)

#### Presentation:

Doug Hunter reviewed the UAMPS Power Project and the concept of budget plan finance (fixed cap dollar). They are preparing for the next phase to apply with the Regulatory Commission. Since last October, all the key agreements have been executed. The Department of Energy is providing 1.4 billion towards the project over a period of nine years, which is almost 25% of the project costs. The Development Cost Reimbursement Agreement deals with technology and provides reimbursement of 100% of the next phase costs if the energy price target is not met. The Engineering, Procurement & Construction Development Agreement is between UAMPS and Flour to primarily cover the balance of plant, design, construction and cost estimates for the project. The Nuclear Regulatory Commission has certified the NuScale reactor. Based on subscription, a 6-module plant configuration with a total output of 462 megawatts would be the best approach to move forward. The overall project schedule remains the same with the first module coming online in 2029 and all 6 modules in 2030. Project price is \$58 per megawatt hour in 2020 dollars. UAMPS has worked very hard to minimize risks to the participants wherever possible. As the project progresses higher levels of cost estimate confidence will be achieved (less risk). The current total of interest is 515 megawatts. UAMPS will be focused on signing up additional participants into the project to fill the remaining subscription for the project, which reduces Payson's cost share.

Brian Stevenson noted his previous hesitancy was based on lack of interest. With the new Federal Government administration and coal shutting down, people have come to the realization that this is the only answer. He recommended saying in the project.

#### Council Discussion:

Mayor Wright stated the City needs to remain in the project. The City can't control many things but can control this. This project will meet the future needs of the City.

Councilmember Hulet noted his concerns with the cost, which previously was \$.52. The guarantee is if it goes over someone else pays for it. In six months, it could go up to \$.62 and will the guarantee still be there. Payson limited itself to a \$200,000 risk. He questioned if the project will be bonded. Is the project bonded. Pricing on solar. He questioned since UAMPS and cities are upfront, do we have rights if someone wants to come in and build the same thing. He has always been in support of the project.

Doug Hunter explained they made a conscious decision to change to six modules, which is the only reason it's changing. The only way it will change is if UAMPS makes a change order. This is a fixed, controlled, contractual commitment. These projects can be put at the coal plant sites because the work force, transmission, and water are there. The Federal Government is paying a big chunk because they want it to be in the public domain. The next opt-out is about a year from now.

Brian Stevenson stated the project will be bonded, but the city's costs will not come into play until the City receives power. The \$200,000 is a capacity charge with a fixed fuel cost. The City currently pays \$0.63 to \$0.65 so \$0.58 is very attractive.

Councilmember Provstgaard noted his concern with the cost in 2030 when Payson is predicted to be at 50,000 residents.

**MOTION: Councilmember Provstgaard – To take the limit of spending, the \$200,000, and opt to stay in the nuclear reactor power project and repeal the October 28, 2020 resolution limiting the cost and move forward with the project.** Motion seconded by Councilmember Hiatt. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Bob Provstgaard

4. Resolution – Interlocal Agreement with Utah County regarding Communities That Care  
(7:22 p.m.)

Staff Presentation:

Jason Sant stated the City approved a similar resolution for the previous year last April, which was delayed by the County. The City received funding of about \$18,000. Communities That Care supports victims of drugs and alcohol. It's a great program.

**MOTION: Councilmember Hulet – To approve (resolution) the Interlocal Agreement with Utah County regarding Communities That Care.** Motion seconded by Councilmember Carter. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Brett Christensen  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Bob Provstgaard

(Councilmember Christensen excused)

5. Ordinance – Amendments to Title 9, Streets and Sidewalks (7:25 p.m.)

Staff Presentation:

Nestor Gallo stated staff has incorporated the comments from Planning Commission and City Council. Private road design includes must not conflict in the road grid system, 32-foot minimum road width (like a public road), 5-foot-wide concrete sidewalk, 2-foot-wide curb and gutter, no park strip, 46-foot total road width, meet International Fire Code (IFC) regulations, and a road maintenance agreement to regulate on-street parking. Parking area design includes 26-foot drive lanes, 9-foot-wide parking stalls, 19-foot-long parking stalls, ADA regulations, required number of parking stalls based on proposed land use, and require 25-foot-long driveways. An emergency vehicle turnaround is required for roads exceeding 150 feet and shall comply with the IFC. The maximum length shall not exceed 660 feet, which is one block in Payson. Managing associations will maintain street lights, asphalt pavement, snow plowing, landscaping, and storm drainage. Specific requirements include master meters (culinary and pressurized irrigation) located within the public right of way, privately owned and maintained sanitary sewer main, storm drain retention pond and pipes, and perpetual/non-exclusive ingress and egress. Code amendments include allowing private roads and alleys and reference to the Payson City Design Guidelines. Staff is

working on template for a road maintenance agreement to include access easements, utility easements, road maintenance responsibility, on-street parking regulations and enforcement, prepayment of fees to the managing associations, emergency repairs, and yearly city inspections for road conditions and storm water maintenance. Staff recommends amending the Title 9, Streets and Sidewalks and the Design Guidelines to allow private roads and alleys under special conditions and for specific land uses for retail, hotel, office, multi-family, in-fill lots, and odd shaped lots without the option for cut-through traffic. Staff recommends these amendments to Title 9 and the Design Guidelines.

Council Discussion:

Councilmember Provstgaard noted the definition of a private road and a private driveway need to be defined, which he asked for previously. The Council is being asked to pass legislation that will limit some people from building on their lots. He questioned if the Development Review Committee has fully reviewed the proposal. He applauded Nestor for wanting to get this done, but he wants to do it right. He doesn't feel the proposed amendments are complete, and staff hasn't given input. The amendments enforce design standards on a road for an infill lot that no one can afford to build. He questioned how it can be built for just a flag lot.

Nestor Gallo clarified a private driveway is to one residential home.

Councilmember Provstgaard stated he can drive around the City and identify private drives that access more than one home. He has a number of items that need to be addressed on private roads such as garbage collection. The city doesn't have the responsibility of driving down a private road to collect garbage. There shouldn't be an "if" for a road maintenance agreement; just require a road maintenance agreement. He asked that this be remanded back to staff to address the issues and come back with a complete piece of legislation. If passed tonight, someone will arbitrarily define a private road and a private drive.

Nestor Gallo disagreed and stated the proposal is complete.

Councilmember Hulet stated the definitions can be put in the ordinance; definitions are throughout the ordinance. He agrees garbage collection needs to be addressed. Nestor Gallo has done a great job; it just needs a couple tweaks.

**MOTION: Councilmember Provstgaard – To table the amendments to Title 9 and allow staff to review and make the necessary verbiage changes and bring it back to Council.** Motion seconded by Councilmember Hulet. A roll call vote was taken as follows and the motion carried.

Yes	-	Linda Carter
Yes	-	Taresa Hiatt
Yes	-	Brian Hulet
Yes	-	Bob Provstgaard

6. Ordinance – Amendments to the Payson City Development Guidelines

**MOTION: Councilmember Provstgaard – To table the Development Guidelines and allow staff to make the necessary changes and bring it back to Council.** Motion seconded by Councilmember Hulet. A roll call vote was taken as follows and the motion carried.

Yes - Linda Carter  
Yes - Taresa Hiatt  
Yes - Brian Hulet  
Yes - Bob Provstgaard

## E. WORK SESSION

### 1. Villages at Arrowhead Park, Phase 13 (7:42 p.m.)

#### Staff Presentation:

Jill Spencer stated the applicant is looking for input to move forward with their next phase. She oriented the council on the location of this project. The concept layout (base plan) was discussed in 2017 with a mix of uses, lot sizes, building products. Phases 1 through 4 were approved in mid-2018. Phase 13 originally included six, four-unit structures. The applicant is proposing a single building with four stories and 32 studio apartments. The base plan was a starting point with a lot of question on timing and the housing market. The applicant has maintained that each phase is based on the housing market, and they would bring new proposals to the Council for consideration as the housing market changed. Most of the previous proposals have been approved while others have not. Questions to consider include: Is this product the most appropriate use in this area? If not, where would be more appropriate? Would the studio apartments negatively impact adjacent neighborhoods? Are studio apartments more appropriate in a pedestrian and transit-oriented area?

Councilmember Hulet noted that there was a certain limit on the number of units for the entire project. As phases changed, it seemed there weren't going to be many house tops left at the end. He questioned where this is in the process.

#### Applicant:

Trent Beasley stated if he understands correctly, the main concern is owner occupancy verses rental. The annexation agreement included bubble maps that generally gave a layout until the development plan was refined. This was a best guess at the time until the top density number could be memorialized (654 total units) with the concept approval. They were unsure that every product type would be used in each location, but they and the City would work together as the market demanded. They have a strong demand from people who want to be homeowners that can't afford anything in the current market. These 32 units will sell around \$150,000 to \$200,000. These are small but better than the alternative for those who want to own something. The proposed questions are valid, but they look at who is the target market. It's a disservice to call these studios apartments because it gives the wrong connotation. This phase is for single professionals and couples. Their hope for the entire Villages at Arrowhead Park project was to create an environment where people can stay and enjoy the environment/neighborhood. Then as they progress, they can move around. They feel it is an appropriate area and would like feedback from the Council.

#### Discussion:

Commissioner Morgan likes the idea of ownership rather than renting but the price is a concern. Currently, it's a huge investment market where investors buy all the units and rent them out.

Mayor Wright noted that 20 years down the road the City can't absolutely control whether they are owned or rented, but it is a concern. There are studio apartments behind businesses that he as a police officer had to deal with difficulties. He doesn't want that type of community within this



community. The City will have to deal with the complaints of others in this area. He likes the concept of ownership for younger couples.

Trent Beasley stated Provo had a similar concern in southeast Provo and landed with 60% had to be owner occupied. If a couple owns a unit and needs to move for school or something, they are forced to sell, forced to break the law, or forced to leave it vacant. This isn't reasonable and trends on property rights. Provo used either a discount for home ownership or a premium for an investor unit, which was included in the association documents. If the majority is owner occupied, they will look out for their investment. Another option is not allowing ownership of more than two units. When they show this concept to people ages 25 to 30, they love it. There is such a diversity in what people like. This entire project has a master association for the entire 100 acres, which is an advantage. If one of the sub-associations is not doing its job, the master association will do enforcement. They are doing everything they can to mitigate issues and attract the good people.

Councilmember Provstgaard stated he also likes the concept of ownership for younger couples. The City is asking for 100% ownership occupied and the developer is suggesting for 60%. He doesn't believe either is enforceable five years down the road. The developer and builder walk away. He works for a company that has these, and it is a nightmare to enforce owner occupancy. Who will enforce it until the city's police have to enforce it. And yes, this can happen anywhere. This is pretty dense housing in an area that you as developers have worked to make a pretty nice place. It looks like a project rather than something you would be proud of. He understands the trending market and the profitability from 24 to 32 units. He's not sure this is the right place. The product is a struggle for him. He is in favor of affordable housing but not low-income housing in this area. A concern is where this will be 15 years down the road.

Terry Harward stated they have been in the development business for about 45 years. They know homeowner's associations (HOA) are not perfect. If they aren't big enough, they will fail because of lack of funds. This is why they have a master association. They will have enough money and enough control to make it work.

Trent Beasley noted another challenge is they need to get their 654 units. If they don't go here, then there will be stacking somewhere else. If the issue is the size of units, it can be adjusted. They are trying to create something attainable for those that homeownership is out of reach. The market is needing units around 500 square feet and under \$200,000.

Terry Harward clarified when the entire project was designed, the fourplexes were intended to be rentals. Things have changed since then. They are trying to cut the rentals down and promote owner occupancy. All of the open space and private roads are maintained by one company to ensure everything is maintained. He reviewed the layout and design of a studio apartment as well as the building layout.

Commissioner Warner stated studio apartments belong where major amenities are within walking distance such as a transit-oriented development and educational campus. He doesn't feel this proposal works in this location but recognizes it works from a market point of view. He is in favor of owner-occupied units.

Trent Beasley asked if they come up with a legal, functional mechanism to ensure a certain percentage of units were owner occupied, would the City Council be in favor of the project.

Jason Sant stated this isn't a mechanism the City would control; it will be controlled by the HOA. As pointed out, most HOAs fail or don't bother with the issues after several years. The police department has jurisdiction over crimes but not over HOA issues. The federal standards for evictions because of COVID are still in place. Many facilities are not collecting rent because of COVID. Deed restrictions usually tie into the bylaws.

Mayor Wright concluded this has been a good, frank discussion. It's not a dead issue but needs to be solved somehow.

Trent Beasley stated they will continue to work on it and come up with some solutions.

## 2. Land Use and General Plan

Staff Presentation:

Jill Spencer stated this item is not time sensitive and could be addressed at a future meeting.

**MOTION: Councilmember Provstgaard – To table the Land Use and General Plan Work Session prior to a council meeting so we are all fresh.** Motion seconded by Councilmember Hulet. Those voting yes: Linda Carter, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

## F. ADJOURNMENT

**MOTION: Councilmember Provstgaard – To adjourn.** Motion seconded by Councilmember Carter. Those voting yes: Linda Carter, Taresa Hiatt, Brian Hulet, Bob Provstgaard. The motion carried.

The meeting adjourned at 9:08 p.m.

/s/ Kim E. Holindrake \_\_\_\_\_  
Kim E. Holindrake, City Recorder