



**MAYOR AND COUNCIL DINNER - 5:00 P.M.**

*The Mayor and Council will meet in the Multi-Purpose Room for informal discussion and dinner. No action will be taken on any items.*

No decisions will be made at this meeting. The public is invited to observe the work session. Public comment generally is not taken during work sessions.

**CALL TO ORDER**

**COUNCIL BUSINESS**

1. Calendar

- Oct 12 - Work/Study Meeting 5:30 p.m.
- Oct 19 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Nov 02 - Springville City Municipal General Election 7:00 a.m.-8:00 p.m.
- Nov 02 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.

2. **DISCUSSION ON THIS EVENING'S REGULAR MEETING AGENDA ITEMS**

- a) Invocation - Councilmember Nelson
- b) Pledge of Allegiance - Councilmember Crandall
- c) Consent Agenda
  - 1. Approval of the minutes for the August 03 and 17, 2021 regular meetings.
  - 2. Approval of a Resolution authorizing Springville City to purchase 1.278 acres of property located at 1650 West Center Street, Springville, Utah, Parcel #23:030:0093, for a power substation - Leon Fredrickson, Power Department Director

3. **DISCUSSIONS/PRESENTATIONS**

- a) Finance Investment Policy - Heather Penni, City Treasurer
- b) Lower Spring Creek Tank Presentation - Brad Stapley, Public Works Director

4. **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

5. **CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION**

*The Springville City Council may temporarily recess the meeting and convene in a closed session as provided by UCA 52-4-205.*

6. **ADJOURNMENT**

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CERTIFICATE OF POSTING - THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE- POSTED 10/01/2021

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

Meetings of the Springville City Council may be conducted by electronic means pursuant to Utah Code Annotated Section 52-4-207. In such circumstances, contact will be established and maintained by telephone or other electronic means and the meeting will be conducted pursuant to Springville City Municipal Code 2-4-102(4) regarding electronic meetings. s/s - Kim Crane, CMC, City Recorder





PROPOSITION 15 - PAR TAX AGENDA  
SPRINGVILLE CITY COUNCIL MEETING  
OCTOBER 05, 2021 AT 6:00 P.M.  
City Council Chambers  
110 South Main Street  
Springville, Utah 84663

The proposition to be voted on in the 2021 Municipal General Election is Proposition No. 15, which is to enact a sales and use tax for parks, arts, and recreation.

## CALL TO ORDER

## AGENDA

1. **Presentation on Arguments in favor of the ballot proposition; and against the ballot proposition.**  
Equal time will be allowed for each.

## PUBLIC COMMENT

2. Any person having interest in this matter may attend and be heard during the public meeting.

## ADJOURNMENT

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The regular Springville City Council meeting will be broadcast on Zoom, go to <https://www.springville.org/agendas-minutes/> and select the Zoom Meeting link.

Public Comment may be submitted via email, comments will be read in the meeting and entered into the permanent record. Email comments to [kcrane@springville.org](mailto:kcrane@springville.org) before 5:00 p.m. day of the meeting.

#### CALL TO ORDER

INVOCATION

PLEDGE

APPROVAL OF THE MEETING'S AGENDA

MAYOR'S COMMENTS

**PUBLIC COMMENT** - *Audience members may bring any item, not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.*

**CONSENT AGENDA** - *The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.*

1. Approval of the minutes for the August 03 and 17, 2021 regular meetings.
2. Approval of a Resolution authorizing Springville City to purchase 1.278 acres of property located at 1650 West Center Street, Springville, Utah, Parcel #23:030:0093, for a power substation - Leon Fredrickson, Power Department Director

#### REGULAR AGENDA

3. Consideration of a Resolution approving the Finance Investment Policy - Heather Penni, City Treasurer
4. Consideration of an Ordinance amending Springville City Code Section 11-4-301, Land Use Matrix concerning property at 965 N. Main Street, Springville, Utah - Josh Yost, Community Development Director

#### MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

#### CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

5. *The Springville City Council may adjourn the regular meeting and convene into a closed session as provided by UCA 52-4-205.*

#### ADJOURNMENT

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MINUTES OF THE REGULAR MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, AUGUST 03, 2021, AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

**Presiding and Conducting:** Mayor Richard J. Child

**Elected Officials in Attendance:** Liz Crandall Attended via telephone  
Craig Jensen  
Matt Packard  
Mike Snelson  
Brett Nelson

**City Staff in Attendance:** City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, and City Recorder Kim Crane. Power Director Leon Fredrickson, Public Safety Director Lance Height, Administrative Services Director Patrick Monney, Community Development Director Josh Yost, Public Works Director Brad Stapley, Library Director Dan Mickelson, and Museum of Art Director Rita Wright

#### CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 7:00 p.m.

#### INVOCATION AND PLEDGE

Councilmember Packard offered the invocation, and Councilmember Snelson led the Pledge of Allegiance.

#### APPROVAL OF THE MEETING'S AGENDA

Mayor Child requested item #7 Consideration of an Easement Dedication from Springville City to the Central Utah Water Conservancy District (CUWCD) to allow improvements to the Swenson Dam diversion structure located on Hobble Creek on the Regular Agenda be moved to after item #3.

COUNCILMEMBER NELSON MOVED TO APPROVE THE AGENDA WITH CORRECTIONS.  
COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

#### MAYORS COMMENTS

Mayor Child welcomed the Council, staff, and those in attendance.

#### PUBLIC COMMENT

Mayor Child introduced the Public Comment section of the agenda. He asked if there were any written requests to speak submitted.

There were none.

#### CONSENT AGENDA

1. Approval of the minutes for the Regular Meeting held on June 01, 2021.

- 44 2. Approval of an Ordinance and amendment to the Sign District Map to Reflect Properties that have  
been Rezoned - Josh Yost, Community Development Director
- 46 3. Approval of the Condie Corner Subdivision located at 680 West Center Street in the R1-10 Single-  
Family Residential and WF-1 Westfields Overlay Zones - Josh Yost, Community Development  
48 Director

50 COUNCILMEMBER PACKARD MOVED TO APPROVE THE CONSENT AGENDA AS  
WRITTEN.

52 COUNCILMEMBER NELSON SECONDED THE MOTION, THE VOTE WAS RECORDED AS  
FOLLOWS:

54	COUNCILMEMBER CRANDALL	AYE	VIA TELEPHONE
	COUNCILMEMBER JENSEN	AYE	
56	COUNCILMEMBER PACKARD	AYE	
	COUNCILMEMBER SNELSON	AYE	
58	COUNCILMEMBER NELSON	AYE	

**ORDINANCE #15-2021 APPROVED**

- 60
- 62 7. **Consideration of an Easement Dedication from Springville City to the Central Utah Water  
Conservancy District (CUWCD) to allow improvements to the Swenson Dam diversion structure  
located on Hobble Creek - Brad Stapley, Public Works Director**

64 Director Stapley reported Springville City was approached by the Central Utah Water  
Conservancy District (CUWCD) to allow significant improvements to the aging Swenson Dam diversion  
66 structure. The proposed improvements would add adjustable gates, metering devices, and SCADA to  
assist in the June Sucker Recovery Program while preserving the existing Springville Irrigation District's  
68 and the City's irrigation take-out structures. The CUWCD project would be federally funded, with no cost  
to the City. The existing aged Swenson Dam structure is located on City property in the area of Averett  
70 Avenue; therefore, a grant of easements would be needed.

72 Councilmember Snelson asked if the current structure would be moved. Director Stapley stated it  
would go away and a gate will be controlled by CUWCD, also the water district will be monitoring the flow.

74 COUNCILMEMBER SNELSON MOVED TO APPROVE A GRANT OF EASEMENTS FROM  
SPRINGVILLE CITY TO THE CENTRAL UTAH WATER CONSERVANCY DISTRICT (CUWCD) TO  
76 ALLOW IMPROVEMENTS TO THE SWENSON DAM DIVERSION STRUCTURE LOCATED ON  
HOBBLE CREEK.

78 COUNCILMEMBER JENSEN SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

80 **PUBLIC HEARING AGENDA**

- 82 4. **Public Hearing for consideration of a Resolution and Memorandum of Understanding with FRHP  
Lincolnshire LLC regarding 1750 W 1400 S, City of Springville, Utah County, Utah and Parcels  
#26-050-0042; #26-050-0041; and #26-050-0040 consisting of approximately 44.82 acres. - Troy  
84 Fitzgerald, City Administrator**

86 Administrator Fitzgerald presented the proposed resolution and Memorandum of Understanding.  
He reported Springville City owned significant property along 1600 South. Some of the property located  
near I-15 was acquired using transportation corridor preservation funds for a planned interchange on  
88 1600 South. Over the years, the design for the interchange had changed and more property was available  
for possible development than was originally planned. As a result, Springville

90 The city has begun to look at options to develop the property for the long-term benefit of the City. He  
explained both parties are working towards closing on the property and neither side has put funding down.

92 Mayor Child opened the public hearing.

94 COUNCILMEMBER SNELSON CLOSED THE PUBLIC HEARING. COUNCILMEMBER  
PACKARD SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

96  
98 COUNCILMEMBER NELSON MOVED TO *APPROVE* **RESOLUTION #2021-39** AND A  
MEMORANDUM OF UNDERSTANDING WITH FRHP LINCOLNSHIRE, LLC.

100 COUNCILMEMBER SNELSON SECONDED THE MOTION. THE VOTE IS RECORDED AS  
FOLLOWS:

102	COUNCILMEMBER CRANDALL	AYE	VIA TELEPHONE
102	COUNCILMEMBER JENSEN	AYE	
104	COUNCILMEMBER PACKARD	AYE	
104	COUNCILMEMBER SNELSON	AYE	
106	COUNCILMEMBER NELSON	AYE	

106 **RESOLUTION #2021-39 APPROVED**

108 **REGULAR AGENDA**

110 5. Consideration of an Ordinance to amend Springville's Official Zone Map from the Highway  
Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial  
112 (RC) Zone in parts of the following general areas. The areas are first, from 400 South to 1000  
North between 2600 West and 1650 West, second, at the northeast quadrant of the intersection  
114 of I-15 and 1600 South, and third, along 1600 South between 1200 West and SR 51 - Josh Yost,  
Community Development Director (continued from July 06, 2021)

116 COUNCILMEMBER PACKARD MOVED TO CONTINUE THE ITEM FOR TWO WEEKS.  
118 COUNCILMEMBER SNELSON SECONDED THE MOTION. THE VOTE WAS RECORDED AS  
FOLLOWS:

120	COUNCILMEMBER CRANDALL	AYE	VIA TELEPHONE
122	COUNCILMEMBER JENSEN	AYE	
122	COUNCILMEMBER PACKARD	AYE	
124	COUNCILMEMBER SNELSON	AYE	
124	COUNCILMEMBER NELSON	AYE	

124 **ORDINANCE #16-2021 APPROVED**

126 6. Consideration of an Ordinance amending the Official Zone Map on properties located in the area  
of 2300 E 850 S, parcel numbers 26:005:0007; 26:005:0029; 26:005:0100; 26:005:0102; and  
128 26:005:0112, from the R1-15 Single-Family Residential Zone to the R1-10 Single-Family  
Residential Zone - Josh Yost, Community Development Director  
130 **Director Yost reported**

132 Director Yost reported the subject property was currently an agricultural use. The petitioner was  
proposing to develop the property as a residential subdivision, and parcels were currently not within the  
Springville municipal boundary. Director Yost provided information and recommendations from the recent  
134 Planning Commission meeting regarding the request. The Planning Commission was a unanimous  
recommendation for denial. Staff would be willing to act on the council's recommendation.

136 Heather Wiseman, stated almost everyone in the R1-15 signed a petition, a vast majority are from  
the R1-10 area. New residents would access in front of her property and the R1-15 section. The area has  
138 a distinct character, country road designation in the area, lots adjacent are much larger and would create  
a disparity, most residents in the area have animal rights. The second hybrid plan was misleading and

140 not meeting the compromise of lot size. She would like to see larger lots and the integrity of the area  
141 maintained. Drainage and increased traffic are also of concern.

142 Kent Stephens, stated he was the applicant. He explained the difference between R1-10 and R1-  
143 15. He stated the design plan was to look at the individual characteristics of the area, with the most  
144 functional and desirable product. He provided information on the access roads. He has worked with staff  
145 to provide connectivity with full-width roads. Ten acres will be removed from the Highline Ditch. They  
146 have been willing to work with everyone and cater the project to benefit the properties surrounding the  
147 development. He explained the proposal has remained the same and he has been contacted by residents  
148 wanting to be a part of the development.

149 Ellen Brown stated she knew the property would eventually be sold and developed. It backs up to  
150 the Stulce family lane, which she expressed they opposed. She was not opposed to the building, she  
151 would like to see the city stay with what was put in place initially. The area has a rural feel, she has talked  
152 to people that would like to buy larger lots and not smaller ones. She hopes the council would consider  
153 staying with original zoning. Not many improvements are needed other than 850 South being connected.

154 Jeff Tidwell stated his property is west of the proposed area and would be a big impact on the  
155 development. He said it should stay with the R1-15 as planned and hopes the council listens to the  
156 Planning Commission and the neighborhood. He was not against the building; however, more is not  
157 always better. He stated it would create a traffic issue and there would be an opportunity to temper it and  
158 stay with the R1-15.

159 Eric Orme stated he was with the development team and a development agreement would be  
160 entered into with Springville City.

161 John Park stated the area is a very special place. He could not afford an acre lot. He would like  
162 his kids to be able to experience the area. That is why he supports the zone change.

163 Robbie Peterson wanted to express his support for the changing of the zoning.

164 Megan Rojas stated she was a realtor and has had families contact her about the area. Each lot  
165 makes a difference in the housing shortage. She works with families that cannot afford the larger lots.  
166 The impact on families being able to get a home is life-changing.

167 Craig Stulce was representing the Stulce family's interest, they own property along the east side  
168 of the development. There was not an understanding of how the property connected in the Planning  
169 Commission. They have the same feeling as others in the area. It is inevitable it will be developed. They  
170 will be benefiting the property owners and they support the zone change. They would also be a beneficiary  
171 of the development.

172 Administrator Fitzgerald stated the item before the council is for a zone change only, not a specific  
173 development.

174 Melissa Chivers grew up in Springville blocks away from the area. She is looking for property to  
175 purchase to build on in the area. Giving the developers flexibility is the most logical.

176 Tammy Carter lives in the area. She stated she lived in a development that was changed, it helps  
177 to maintain and preserve an area. Green space was promised for the area she lives in and would hope  
178 the city would recognize this for her area.

179 David Wiseman stated with zoning there is an implicit promise the zoning would stay intact. There  
180 is a bigger disparity, potential benefit, those adjacent do not see the benefit. The minimal change  
181 requested would not have a dramatic price difference, but it will dramatically change for the people who  
182 live in the area. He asked the council to please listen to the citizens living in the area.

183 Howard Stewart stated he was concerned about the traffic. Most who live in the area do not want  
184 more traffic. It looks like something Orem city would have.

185 Taylor Hendershot stated he feels the goal was money. He has no interest in a zone change. The  
186 area is wonderful the way it is and is what makes it special.

188 Councilmember Packard commented he has attended the Planning Commission meetings and  
either way it goes, he wanted to thank the applicant for how he has approached and worked with the City.

190 Councilmember Nelson stated the change from R1-15 to R1-10 is not a big change and asked if  
five additional homes would make a difference.

192 Councilmember Snelson expressed it was important for the council to listen to the existing  
neighbors have their voices known.

194 Councilmember Packard stated the Planning Commission and staff have gone through and  
reviewed and given their recommendations to deny.

196 Councilmember Jensen the current residents purchased the property as an R1-15 and the voices  
have been heard from the residents to the Planning Commission.

198 Councilmember Crandall appreciated the comments made by all. She leans towards leaving it as  
R1-15. The residents purchased to live in the R1-15 and she would like to honor their request.

200  
202 COUNCILMEMBER SNELSON MOVED TO DENY THE AMENDMENT TO THE OFFICIAL  
204 ZONE MAP FOR PROPERTIES LOCATED IN THE AREA OF 2300 E 850 S, PARCEL NUMBERS  
26:005:0007; 26:005:0029; AND, 26:005:0112, FROM THE R1-15 SINGLE-FAMILY RESIDENTIAL  
ZONE TO THE R1-10 SINGLE-FAMILY RESIDENTIAL ZONE.

206 COUNCILMEMBER PACKARD SECONDED THE MOTION. THE VOTE WAS RECORDED AS  
FOUR AYES AND ONE NAY, THE MOTION PASSED.

208 **8. Consideration of an Ordinance amending Springville City Code 11-6-134 Accessory Dwelling  
Units - Josh Yost, Community Development Director**

210 Attorney Penrod asked the council to continue the item to give staff more time to review

212 COUNCILMEMBER SNELSON MOVED TO CONTINUE THE ITEM TO THE NEXT REGULAR  
COUNCIL MEETING

214 COUNCILMEMBER PACKARD SECONDED THE MOTION. ALL PRESENT VOTED AYE.

216 **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

218 Mayor Child asked if there were any comments. There were none.

220 **CLOSED SESSION**

222 **9. *The Springville City Council may temporarily recess the regular meeting and convene in a closed  
session as provided by UCA 52-4-205.***

224 There was none.

226 **ADJOURNMENT**

228 COUNCILMEMBER JENSEN MOVED TO ADJOURN THE REGULAR MEETING AT 8:25 P.M.  
COUNCILMEMBER PACKARD SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

230 *This document constitutes the official minutes for the Springville City Council Regular Meeting held on Tuesday, August 03, 2021*  
232 *I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County,*  
234 *State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday,*  
*August 03, 2021.*

236 DATE APPROVED: \_\_\_\_\_

\_\_\_\_\_  
Kim Crane  
City Recorder



MINUTES OF THE REGULAR MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON TUESDAY, AUGUST 17, 2021, AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET, SPRINGVILLE, UTAH.

**Presiding and Conducting:** Mayor Richard J. Child

**Elected Officials in Attendance:** Liz Crandall  
Craig Jensen  
Matt Packard  
Mike Snelson  
Brett Nelson

**City Staff in Attendance:** City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, and City Recorder Kim Crane. Building and Grounds Director Bradley Neel, Power Director Leon Fredrickson, Public Safety Director Lance Height, Administrative Services Director Patrick Monney, Community Development Director Josh Yost, Public Works Director Brad Stapley, Recreation Director Corey Merideth, Library Director Dan Mickelson, and Museum of Art Director Rita Wright

#### CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 7:03 p.m.

#### INVOCATION AND PLEDGE

Councilmember Snelson offered the invocation, and Councilmember Jensen led the Pledge of Allegiance.

#### APPROVAL OF THE MEETING'S AGENDA

COUNCILMEMBER NELSON MOVED TO APPROVE THE AGENDA AS WRITTEN. COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

#### MAYORS COMMENTS

Mayor Child welcomed the Council, staff, and those in attendance.

#### CEREMONIAL AGENDA

1. **Presentation from the Springville High School Student Council - Shannon Acor, CTC Coordinator**

Coordinator Acor expressed the Study Council wanted to encourage community connections and social involvement. Introductions of the student council were given. The City Council recognized Payton Bird who is part of the student council and works at the CRC about how impressed they were by the great job she did rescuing a swimmer.

#### PUBLIC COMMENT

Mayor Child introduced the Public Comment section of the agenda. He asked if there were any written requests to speak submitted. There were none.

## CONSENT AGENDA

46 2. Approval of the minutes for the June 01, 2021, work-study meeting and the June 15, 2021 work-  
48 study and regular meetings.

COUNCILMEMBER SNELSON MOVED TO APPROVE THE CONSENT AGENDA AS  
50 WRITTEN.

COUNCILMEMBER NELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

52

## REGULAR AGENDA

54 3. **Consideration of an Ordinance amending the Springville Official Zone Map from the Highway  
56 Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial  
(RC) Zone from 400 South to 1000 North between 2600 West and 1650 West - Josh Yost,  
Community Development Director (continued from July 06, 2021, and August 03, 2021)**

58 Director Yost presented on Items #3 through #5 and reported on March 30, 2021, the City Council  
60 requested a review of areas of the city where uses may conflict with the future vision of the city or short-  
circuit the current planning. A resolution for pending legislation was brought to the Council in June and  
62 the council requested he meet with each property owner who presented a written objection, he was able  
to meet with property owners and is now back to discuss with the council.

64 Director Yost reviewed the oppositions expressed by the property owners and reviewed the  
analysis used for each area. He explained the RC Zone was not meant to be a permanent change and  
went on to explain the different recommendations and the ordinances.

66 Councilmember Crandall commented this was to benefit the property owners and the city.

68 Councilmember Snelson stated he appreciated the “cherate” meeting and being able to work with  
the stakeholders.

### 70 Proposed Ordinance #19-2021 Discussion

Councilmember Packard stated he was uncomfortable having this type of building next to the  
72 freeway. Director Yost explained there could be additional design controls and esthetics could be  
considered. If the council desires additional design controls a continuance or approval of the proposed  
74 zone change would provide an opportunity to implement the standards.

76 Councilmember Snelson said he was not opposed to the type of buildings going in and they would  
need to be esthetically pleasing.

78 Harold Mitchell stated he represented the property owners McCullum Properties owned by Clair  
and MaryAnn Anderson. He expressed that pretty doesn't bode well with property owners because it  
costs money. The Andersons are opposed to the zone change. Currently, they do not have a plan, they  
80 are opposed to the restrictions of RC Zone.

82 Ken Burg with Burg Civil Engineering stated he was representing the Meadow Brook parcels they  
have submitted for a commercial subdivision and have interest in an office warehouse. They want to build  
a nice product and have talked with the city about a master transportation plan to improve the areas. His  
84 client is ready to move ahead, and change would prevent them from going forward.

86 Councilmember Snelson asked if a possible warehouse was built on the McCullum parcel if the  
RC Zone would accommodate. Director Yost replied it would not.

88 COUNCILMEMBER JENSEN MOVED TO DECLINE ORDINANCE #19-2021 AMENDING THE  
OFFICIAL ZONING MAP FROM THE HIGHWAY COMMERCIAL (HC) ZONE AND THE LIGHT  
90 INDUSTRIAL MANUFACTURING (LIM) ZONE TO THE REGIONAL COMMERCIAL (RC) ZONE FOR  
THE PARCELS AS ATTACHED HERETO IN EXHIBIT A PARCEL LIST AND EXHIBIT B PARCEL MAP.

92 COUNCILMEMBER CRANDALL SECONDED THE MOTION.

94 Councilmember Nelson asked to continue the item because something has been proposed and we are unable to approve the entire area.

Councilmember Jensen stated it needs to be decided if the area is acceptable for HC Industrial.

96 Councilmember Packard expressed it was a gateway for people going through Springville and may need to have a further discussion.

98 Mayor Child asked for clarification on the motion procedure. Administrator Fitzgerald explained the process.

100 COUNCILMEMBER PACKARD MOTIONED TO CONTINUE TO THE NEXT CITY COUNCIL  
102 MEETING. COUNCILMEMBER NELSON SECONDED.

104 Councilmember Jensen questioned the motion for clarification. He asked if it was being continued to bring it back for approval of an RC Zone or come up with a special zone.

106 Councilmember Packard stated it would be to have a discussion on the zone and any design standards.

108 MAYOR CHILD CALLED FOR A ROLLCALL VOTE, THE VOTE WAS RECORDED AS  
FOLLOWS:

110	COUNCILMEMBER CRANDALL	AYE
	COUNCILMEMBER JENSEN	AYE
112	COUNCILMEMBER PACKARD	AYE
	COUNCILMEMBER SNELSON	AYE
114	COUNCILMEMBER NELSON	AYE

116 Administrator Fitzgerald asked the council for direction on what they would like to see on this item at the next work session.

118 Councilmember Packard asked for direction on design, look and feel.

120 Mayor Child asked staff to report what is currently on the property, if it's a gateway it should be a proper gateway. Administrator Fitzgerald clarified the council wanted the discussion in a work session before the regular meeting.

122 Proposed Ordinance #20-2021 Discussion

124 Councilmember Jensen suggested taking off the parcel east of 1750 West and do everything to the west.

126 Jason Boel stated he was an urban planner and represented Comina. The twenty-acre piece identified as industrial they would like it removed from the ordinance.

128 COUNCILMEMBER JENSEN MOVED TO *APPROVE* **ORDINANCE #20-2021** REMOVING THE  
130 TWENTY ACRES DISCUSSED AND INCLUDE EVERYTHING WEST OF 1750 WEST.

132 COUNCILMEMBER JENSEN AMENDED HIS MOTION TO *APPROVE* **ORDINANCE #20-2021**  
134 AMENDING THE OFFICIAL ZONING MAP FROM THE HIGHWAY COMMERCIAL (HC) ZONE AND  
THE LIGHT INDUSTRIAL MANUFACTURING (LIM) ZONE TO THE REGIONAL COMMERCIAL (RC)  
136 ZONE FOR THE PARCELS AS ATTACHED HERETO EXHIBIT A PARCEL LIST AND EXHIBIT B  
PARCEL MAP I AM HOLDING IN HAND REMOVING 23:029:0061

138 COUNCILMEMBER NELSON SECONDED THE MOTION. THE VOTE IS RECORDED AS  
FOLLOWS:

140	COUNCILMEMBER CRANDALL	AYE
	COUNCILMEMBER JENSEN	AYE

142 COUNCILMEMBER PACKARD AYE  
COUNCILMEMBER SNELSON AYE  
COUNCILMEMBER NELSON AYE

144 **ORDINANCE #20-2021 APPROVED**

146 Proposed Ordinance #21-2021 Discussion

148 Councilmember Jensen asked where the property owners were on this item. Director Yost explained on this item there has not been any opposition voiced from property owners. He explained the parcels in the proposed Ordinance are subject to the lakeside landing proposal.

150 Councilmember Nelson asked if there were any plans for this area. Director Yost reported a plan was received for a commercial subdivision after this process was started

152 Councilmember Snelson asked about the piece of property on 400 south next to the transfer station. Director Yost replied it was part of the previous approval last April, regarding the Light Industrial Zone.

154 Director Yost reported in the proposed ordinance explaining nearly all of the parcels would be subject to the Lakeside Landing Special District as it is currently proposed. One of the parcels is owned by a separate entity and has been communicating with the city and including their piece in the Lakeside Landing.

160 COUNCILMEMBER CRANDALL MOVED TO *APPROVE* **ORDINANCE #21-2021** AMENDING THE OFFICIAL ZONING MAP FROM THE HIGHWAY COMMERCIAL (HC) ZONE TO THE REGIONAL COMMERCIAL (RC) ZONE FOR THE PARCELS AS ATTACHED HERETO IN EXHIBIT A PARCEL LIST AND EXHIBIT B PARCEL MAP.

164 COUNCILMEMBER PACKARD SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

166 COUNCILMEMBER CRANDALL AYE  
COUNCILMEMBER JENSEN AYE  
168 COUNCILMEMBER PACKARD AYE  
COUNCILMEMBER SNELSON AYE  
170 COUNCILMEMBER NELSON AYE

172 **ORDINANCE #21-2021 APPROVED**

174 4. **Consideration of an Ordinance amending the Springville Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) Zone at the northeast quadrant of the intersection of I-15 and 1600 South - Josh Yost, Community Development Director (continued from July 06, 2021, and August 03, 2021)**

176 Councilmember Jensen asked if the staff had a recommendation. Director Yost reported staff supports making the change and would not oppose continuing the item if that is what the council wanted. He explained the ordinance covers both Item #4 and #5 on the agenda.

180 Councilmember Packard would like to see it rezoned to protect the look and understands concerns of property owners and knows it is not very popular. If property owners have an issue they could bring it back to the council for discussion. Until the study is done we are not going to know what is going to happen until December or January.

184 COUNCILMEMBER PACKARD MOVED TO *APPROVE* **ORDINANCE #23-2021** AMENDING THE OFFICIAL ZONING MAP FROM THE HIGHWAY COMMERCIAL (HC) ZONE AND THE LIGHT INDUSTRIAL MANUFACTURING (LIM) ZONE TO THE REGIONAL COMMERCIAL (RC) ZONE FOR THE PARCELS AS ATTACHED HERETO IN EXHIBIT A PARCEL LIST AND EXHIBIT B PARCEL MAP.

COUNCILMEMBER SNELSON SECONDED THE MOTION.

190

Attorney Penrod commented the map attached to the ordinance was not the correct map, the new map had the change to RC.

192

Director Yost explained it didn't change the substance of the ordinance only the markings on the new map a line is drawn around the parcels.

194

Councilmember Jensen stated he would rather separate the parcels.

196

THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER CRANDALL AYE

198

COUNCILMEMBER JENSEN NAY

200

COUNCILMEMBER PACKARD AYE

COUNCILMEMBER SNELSON AYE

202

COUNCILMEMBER NELSON AYE

204

**ORDINANCE #23-2021 APPROVED vote 4 to 1**

5. **Consideration of an Ordinance amending the Springville Official Zone Map from the Highway Commercial (HC) and Light Industrial Manufacturing (LIM) Zones to the Regional Commercial (RC) Zone along 1600 South between 1200 West and SR 51 - Josh Yost, Community Development Director (continued from July 06, 2021, and August 03, 2021)**

206

208

210

**ORDINANCE #23-2021 APPROVED**

212

6. **Consideration of an Ordinance amending Springville City Code 11-6-134 Accessory Dwelling Unit requirements - Josh Yost, Community Development Director (continued from August 03, 2021)**

214

Director Yost reported on August 4, 2020, the City Council adopted an ordinance amending land use regulations to allow Accessory Dwelling Units within all Springville City residential zones. During its 2021 session, the Utah State Legislature passed HB 82 which pre-empted municipal regulation of many aspects of accessory dwelling units. The provisions of this bill conflict with some elements of the city's recently adopted ADU regulations. In order to comply with the State code, staff proposed the zone text amendment. Staff also proposed some changes to clarify certain other provisions of the code.

216

218

220

COUNCILMEMBER JENSEN MOVED TO *APPROVE* **ORDINANCE #22-2021** AMENDING SPRINGVILLE CITY CODE 11-6-134 ACCESSORY DWELLING UNIT REQUIREMENTS.

222

COUNCILMEMBER NELSON SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

224

COUNCILMEMBER CRANDALL AYE

226

COUNCILMEMBER JENSEN AYE

COUNCILMEMBER PACKARD AYE

228

COUNCILMEMBER SNELSON AYE

COUNCILMEMBER NELSON AYE

230

**ORDINANCE #22-2021 APPROVED**

232

7. **Consideration and approval of the Urban Deer Control Plan - Lt. Warren Foster, Public Safety**

Lt. Foster reported Springville City and the Division of Wildlife Resources (DWR) established there were approximately 300-400 urban deer in Springville. Over the past several years Springville City has seen a rise in the deer population and complaints from residents about urban deer eating gardens,

234

236

238 landscape, and personal plants. There has also been an increase in the number of complaints of deer vs  
239 personal pets and deer vs car accidents. The City and DWR receive a significant number of complaints  
240 regarding deer problems in Springville. The goal is to manage the deer population, not eliminate it. A  
241 public open house meeting was conducted on July 26, 2021, in the Civic Center Multi-Purpose Room to  
242 inform and answer any questions, only two people attended.

243 Lt. Foster reported approximately 100 deer were taken last year. A renewal of the Certificate of  
244 Registration (COR) is due, the only change from the last COR was the time and areas. The timeline is  
245 limited this year because of the heat and is not anticipating a large harvest this year. He also suggested  
246 putting in the contract either party can terminate the contract.

247 COUNCILMEMBER JENSEN MOVED TO *APPROVE* THE URBAN DEER CONTROL PLAN,  
248 THE CERTIFICATE OF REGISTRATION (COR) AS AUTHORIZED BY THE DIVISION OF WILDLIFE  
249 RESOURCES AND TO DRAW UP A CONTRACT WITH A PERSPECTIVE REMOVAL COMPANY. THE  
250 TERMS AND CONDITIONS OF SAID CONTRACT WILL BE APPROVED THROUGH THE CITY'S  
251 LEGAL DEPARTMENT BEFORE BEING SIGNED BY THE MAYOR.

252 COUNCILMEMBER SNELSON SECONDED THE MOTION. ALL PRESENT VOTED AYE.

254 **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

255 Mayor Child asked if there were any comments. There were none

256

257 **CLOSED SESSION**

258 8. *The Springville City Council may temporarily recess the regular meeting and convene in a closed*  
259 *session as provided by UCA 52-4-205.*

260 There was none.

262 **ADJOURNMENT**

263 COUNCILMEMBER SNELSON MOVED TO ADJOURN THE REGULAR MEETING AT 8:49 P.M.  
264 COUNCILMEMBER NELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

266

267 *This document constitutes the official minutes for the Springville City Council Regular Meeting held on Tuesday, August 17, 2021*  
268 *I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County,*  
269 *State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday,*  
270 *August 17, 2021.*

271

272 DATE APPROVED: \_\_\_\_\_  
273 \_\_\_\_\_  
274 Kim Crane  
275 City Recorder

276



## STAFF REPORT

**DATE:** October 5, 2021  
**TO:** Honorable Mayor and City Council  
**FROM:** Brandon Graham, Power Distribution Superintendent  
**SUBJECT:** PROPERTY PURCHASE FOR WEST FIELDS POWER SUBSTATION

### RECOMMENDED MOTION

Propose a motion for or against the approval of the IPA Purchase and Sale Agreement, for the purchase of property (1.278 Acres) owned by IPA, located at approximately 1650 West Center Street for the installation of a Power substation to provide service to new development in the West Fields of the City of Springville.

### SUMMARY OF ISSUES/FOCUS OF ACTION

As development has continued to impact the power distribution system capacity, the need to install new substation transformation capacity is imperative. Based on the Impact Fee Study of 2019, a project (Project #9) to install a new substation in the West Fields for this capacity was considered and planned for, to meet the power needs of new development.

Without new substation transformation, capacity at the existing substations will be put in a position of overloading, which in turn could reduce reliability for existing connected customers.

### BACKGROUND

After considering several sites, the staff, with input from the Impact Fee Consultant, has determined that the property proposed to be purchased is a location that is close to the internal power transmission system (46,000 Volts) needed and also would facilitate the distribution circuits (12,470 Volts) required for the growth.

### DISCUSSION

The staff has met several times with key personnel from IPA to determine the value of the property that both the City and IPA would agree upon. The department engaged an appraiser that put the current value of the property at \$172,531 for the 1.278 acres. "From the market data available", they "used the relevant land sales in competitive market areas which were adjusted based on pertinent elements of comparison." (Page 41 of the Valbridge Appraisal Report) One of the elements that make the value a little less is that the property does not have a lot of frontages on Center Street, it is long and next to a future access road along the railroad track spurs.

### ***CITY COUNCIL AGENDA***

*Meeting Date - October 5, 2021*

This value was presented to the IPA staff, that then took the proposed price back to their Real Estate Department. Upon their review of this and the appraisal price of the property that was determined by an appraisal that they (IPA) had from just a couple years ago, countered with a value price of \$190,000 for the property.

Staff reviewed this new price with the City Legal staff and they were in agreement that the higher value was within the negotiating tolerances and value for the property. The Legal staff counseled with Power staff to move forward with the purchase.

### **ALTERNATIVES**

There are other properties that might be available in the area along West Center Street that could be considered.

There would be additional costs associated with higher land costs due to the land being more attractive for development, along with longer lengths of extending the high voltage transmission, and low voltage distribution system to the site.

### **FISCAL IMPACT**

The 2019 Impact Fee Study estimated a cost of \$2,746,200 for the installation of a substation in the proposed location. The purchase of the property would be paid out of an approved FY22 Impact Project budget of \$1,373,100. The revenue source for the funding is from Impact Fees being paid by new connections to the Power system.

#### Attachments:

- IPA Property Purchase and Sale Agreement



**RESOLUTION #2021-XX**

**A RESOLUTION APPROVING THE PURCHASE OF APPROXIMATELY 1.278 ACRES OF PROPERTY (PARCEL NO. 23:030:0093).**

**WHEREAS**, development within Springville City continues to impact the capacity of the City's power distribution system; and

**WHEREAS**, the need to install new substation transformation capacity is imperative; and

**WHEREAS**, property is available for purchase from Intermountain Power Agency at approximately 1650 West Center in Springville City which provides an excellent location to service new development on the City's west side; and

**WHEREAS**, the Springville City Council finds that purchasing the Property for \$190,000 is in the best interests of Springville City for the purpose of providing for current development and preparing for future development of the City's west side.

**NOW, THEREFORE, BE IT RESOLVED BY THE SPRINGVILLE CITY COUNCIL:**

**SECTION 1. Approval.** Springville City is authorized to purchase the Property and accept a Special Warranty Deed for the purchase price of \$190,000.00.

**SECTION 2. Effective Date.** This resolution shall become effective immediately upon passage.

**PASSED AND APPROVED** this 05<sup>th</sup> day of October 2021.

\_\_\_\_\_  
Richard J. Child, Mayor

Attest:

\_\_\_\_\_  
Kim Crane, City Recorder

## EXHIBIT A

Purchase and Sale Agreement between Intermountain Power Agency and Springville  
City of property (1.278 Acres) owned by IPA, located at approximately 1650 West  
Center Street, Springville, Utah

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”), is entered into and shall be effective as of November 5, 2021 (the “**Effective Date**”), by and between INTERMOUNTAIN POWER AGENCY, a political subdivision of the State of Utah (the “**Seller**”) and SPRINGVILLE CITY, a municipality of the State of Utah (the “**Buyer**”), with reference to the following:

A. Seller is the owner of certain real property (hereinafter, the “**Real Property**”) located in Utah County, Utah, which is more particularly described in Exhibit “A”, which is incorporated herein by this reference, together with all rights, privileges, easements, rights-of-way and appurtenances, if any, which relate, belong or appertain to the Real Property (collectively as the “**Property**”).

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer, upon the terms and conditions set forth below.

IN CONSIDERATION OF the mutual promises and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Purchase and Sale. Upon the terms and subject to the conditions and contingencies set forth herein, Buyer agrees to purchase the Property from Seller, and Seller agrees to sell, convey and transfer the Property to Buyer.

2. Purchase Price. The purchase price (“**Purchase Price**”) for the Property shall be \$190,000.

a. Within five days after the Effective Date, Buyer will deposit with Escrow Agent (as defined below) \$5,000 as the earnest money consideration (“**Earnest Money**”) for this Agreement which will be applicable toward the Purchase Price and refundable through the due diligence period referenced in Section 11(b) below.

b. On or before Closing, after credit for the Earnest Money, Buyer shall pay through escrow, the balance of the Purchase Price in certified funds at Closing (as defined below).

3. Closing.

a. The closing of the transactions contemplated hereby (“**Closing**”) shall take place on or before January 14, 2021.

b. The Closing shall take place at the offices of GT Title Services Inc. in Salt Lake City, Utah (the “**Escrow Agent**”), or at such other place as the parties mutually agree.

4. Establishment of Escrow; Costs and Prorations. The Closing shall be consummated through an escrow established with Escrow Agent. Escrow Agent’s instructions shall provide that (i) Escrow Agent’s escrow and recording fees shall be split evenly between Buyer and Seller; and (ii) Buyer shall pay the cost of any title insurance and endorsements desired by Buyer (the

“Policy”). The benefits and burdens of ownership of the Property shall be transferred to Buyer as of the Closing.

5. Property Taxes. Seller shall be responsible for all taxes and assessments (collectively, the “Taxes”) assessed against the Property by the Utah State Tax Commission through the date of Closing. Buyer shall be responsible for all Taxes assessed against the Property by Utah County. There shall be no adjustments or proration of Taxes after Closing. This Section shall survive Closing.

6. Acceptance of Property.

a. BUYER ACKNOWLEDGES, REPRESENTS, WARRANTS AND AGREES THAT BUYER IS PURCHASING THE PROPERTY “AS-IS, WHERE-IS” WITH ALL DEFECTS AND FAULTS AND SUBJECT TO ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT. EXCEPT AS PROVIDED IN THE PROPERTY DEED, SELLER HAS NOT MADE AND SELLER HEREBY DISCLAIMS AND BUYER HEREBY WAIVES ANY AND ALL REPRESENTATIONS, WARRANTIES, GUARANTIES, PROMISES, STATEMENTS OR ASSURANCES WHATSOEVER, EXPRESS OR IMPLIED, DIRECTLY OR THROUGH ANY EMPLOYEE OR AGENT, AS TO THE PROPERTY OR ANY OTHER MATTER, INCLUDING, BUT NOT LIMITED TO: (I) ANY MATTERS RELATING TO TITLE; (II) GOVERNMENTAL AND/OR OTHER LEGAL REQUIREMENTS; (III) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON, UNDER OR AROUND THE PROPERTY OR THE PHYSICAL CONDITION OF THE PROPERTY; (IV) THE EXISTENCE, AVAILABILITY, QUALITY, NATURE, ADEQUACY AND/OR PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE NATURE, QUALITY, OR CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, AND GEOLOGY); (V) THE ECONOMICS RELATING TO THE PRESENT OR FUTURE OWNERSHIP, INCLUDING, WITHOUT LIMITATION, ANY PROJECTIONS OR ESTIMATES OF ANY KIND OR VALUE OF ANY FUTURE INCOME OR EXPENSE OF OR FROM THE PROPERTY; (VI) COMPLIANCE WITH ANY LAWS, RULES, REGULATIONS, ORDERS, ORDINANCES OR REQUIREMENTS (WHETHER FEDERAL, STATE OR LOCAL); (VII) MERCHANTABILITY, CONDITION, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANSHIP OR HABITABILITY; AND/OR (VIII) ANY AND ALL OTHER MATTERS AFFECTING THE PROPERTY, WHETHER PHYSICAL IN NATURE OR INTANGIBLE IN NATURE.

b. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENT, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS SUCH STATEMENTS, REPRESENTATIONS AND INFORMATION ARE SPECIFICALLY SET FORTH IN THE PROPERTY DEED. BUYER EXPRESSLY WAIVES ANY RIGHT OF RESCISSION AND ALL CLAIMS FOR DAMAGES BY REASON OF ANY STATEMENT, REPRESENTATION, WARRANTY, PROMISE AND/OR AGREEMENT, IF ANY, WHETHER CONTAINED IN THIS AGREEMENT, THE PROPERTY DEED OR OTHERWISE.

c. BUYER ASSUMES ALL RESPONSIBILITY FOR ALL LIABILITIES AND DAMAGES CAUSED BY, RELATING TO OR ARISING OUT OF ANY CONDITION OF THE PROPERTY OR ANY LIABILITY RELATING THERETO (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL INVESTIGATION AND REMEDIATION EXPENSES), WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WILL HOLD SELLER HARMLESS THEREFROM.

d. The provisions of this Section 6 shall survive the Closing.

7. Title. Title to the Property shall be conveyed by Seller to Buyer by way of a special warranty deed (the “**Property Deed**”) in the form attached hereto as **Exhibit “B”**, subject to all easements, restrictions, rights-of-way and other matters of record or that would be disclosed by a survey or physical inspection of the property, and taxes and assessments for the year 2021 and thereafter.

8. Notices. Any and all notices required or permitted hereunder shall be given in writing and personally delivered; delivered by certified mail, return receipt requested, postage prepaid; or delivered by generally recognized overnight courier providing proof of delivery, addressed as follows:

To Buyer: Springville City  
110 South Main Street  
Springville, Utah 84663  
Attention: City Attorney

If to Seller: Intermountain Power Agency  
10653 South River Front Parkway, Suite 120  
South Jordan, Utah 84095

And

Intermountain Power Agency  
c/o Los Angeles Department of Water and  
Power  
111 North Hope Street, Room 1255  
Los Angeles, California 90012-2607  
Attn: Operating Agent

Any notice which is personally delivered shall be deemed effective upon the date of delivery. Any notice which is mailed shall be deemed effective when the return receipt is signed for the addressee or is returned as undelivered. Any notice which is delivered by overnight courier shall be deemed effective on the day after deposit with the courier.

9. Brokers’ Commission. Buyer and Seller each represent and warrant to each other that they dealt with no broker in connection with, nor has any broker had any part in bringing about, this transaction. Seller and Buyer shall each indemnify, defend and hold harmless the other from and against any claim of any broker or other person for any brokerage commissions, finder's

fees or other compensation in connection with this transaction if such claim is based in whole or in part by, though or on account of, any acts of the indemnifying party or its agents, employees or representatives and from all losses, liabilities, costs and expenses in connection with such claim, including without limitation, reasonable attorneys' fees, court costs and interest.

10. Default.

a. In the event the closing of the transaction contemplated herein does not occur by reason of any default by Seller, then Buyer's sole remedy shall be limited to either (i) the refund of the Earnest Money and all interest accrued thereon; or (ii) the right to specific performance of this Agreement (provided an action for specific performance is commenced, if at all, within sixty (60) days of Seller's failure to perform).

b. If Buyer defaults, Seller may pursue any remedy available at law or equity.

11. Condition Precedent.

a. Seller's obligations under this Agreement shall be subject to Seller obtaining the approval of the Intermountain Power Project Coordinating Committee and the Intermountain Power Agency Board of Directors. In the event that Seller is unable to obtain such approvals, then Seller shall have the right to terminate this Agreement by written notice to Buyer whereupon all obligations, duties and responsibilities of the Parties shall be immediately terminated and of no further force or effort, except with respect to those obligations which, by their terms, specifically survive any such termination or cancellation. The foregoing condition precedent is for the sole benefit of Seller.

b. Buyer's obligations under this Agreement shall be subject to Buyer's satisfactory completion of its due diligence review of the Property, including without limitation any issues or concerns regarding clear title, environmental liabilities, soil composition, etc., which due diligence review must be completed on or before December 6, 2021. In the event that Buyer is not fully satisfied with the results of its due diligence, then Buyer shall have the right to terminate this Agreement by written notice to Seller on or before December 6, 2021, whereupon the Earnest Money shall be returned to Buyer and all obligations, duties and responsibilities of the Parties shall be immediately terminated and of no further force or effect, except with respect to those obligations which, by their terms, specifically survive any such termination or cancellation. The foregoing condition precedent is for the sole benefit of Buyer. If Buyer fails to provide Seller with the aforementioned notice on or before December 6, 2021, then the Earnest Money shall be deemed nonrefundable. To the fullest extent permitted by law, and in addition to all other indemnities provided for in this Agreement or in law or at equity, for the period from the Effective Date through Closing, Buyer shall protect, indemnify, defend and hold the Property, Seller and Seller's partners, members, participants, and affiliates, and the officers, directors, managers, trustees, beneficiaries, members, employees, agents, representatives, contractors, and invitees of all of the foregoing, and the heirs, executors, successors and assigns of all of the foregoing (collectively, "Seller Parties") free and harmless from and against any and all claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, resulting from activities of Buyer, its agents, employees and/or contractors at the Property, including, without limitation, repairing any and all damages to any portion of the Property, arising

out of or related (directly or indirectly) to the conducting such inspections, surveys, tests, and studies by Buyer, its agents, employees and/or contractors. Buyer shall keep the Property free and clear of any construction liens related to Buyer's right of inspection activities. Buyer's indemnification obligations set forth herein shall survive the Closing and shall not be merged with the Property Deed.

12. Miscellaneous. In the event either Seller or Buyer commence litigation to enforce any of the terms and conditions of this Agreement, the non-prevailing party to such litigation shall pay all costs and expenses, including attorneys' fees incurred therein by the prevailing party. Time is of the essence with respect to the performance by the parties of their obligations hereunder. This Agreement sets forth the entire understanding of Seller and Buyer as to matters set forth herein and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement and all other purchase and sale documents shall be governed by and interpreted in accordance with the laws of the State of Utah. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their heirs, personal representatives, successors and assigns. The section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement. The exhibits attached to this Agreement, if any, are each incorporated into the body of this Agreement as if set forth in full herein. This Agreement may be executed in any number of counterpart originals, each of which shall be deemed an original instrument for all purposes, but all of which shall comprise one and the same instrument. This Agreement may be delivered by email in PDF format.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date above written.

SELLER:

INTERMOUNTAIN POWER AGENCY,  
a political subdivision of the State of Utah

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

BUYER:

SPRINGVILLE CITY, a municipality of  
the State of Utah

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**Parcel #23-030-0093**

COM N 120.5 FT & W 670.08 FT FR E 1/4 COR. SEC. 31, T7S, R3E, SLB&M.; S 10 DEG 2' 28" E 272.69 FT; ALONG A CURVE TO R (CHORD BEARS: S 4 DEG 51' 14" E 174.76 FT, RADIUS = 966.5 FT); S 0 DEG 20' 0" W 222.68 FT; N 89 DEG 34' 21" W 98.31 FT; N 0 DEG 12' 33" W 665.31 FT; S 88 DEG 57' 20" E 39.71 FT TO BEG. AREA 1.278 AC.

**EXHIBIT B**  
**SPECIAL WARRANTY DEED**

[See Attached.]

WHEN RECORDED, MAIL TO:

Springville City  
110 South Main Street  
Springville, Utah 84663  
Attention: City Attorney

**SPECIAL WARRANTY DEED**

INTERMOUNTAIN POWER AGENCY, a political subdivision of the State of Utah, Grantor, hereby conveys and warrants against all who claim by, through, or under the Grantor to SPRINGVILLE CITY, a municipality of the State of Utah, at 110 South Main Street, Springville, Utah 84663, Grantee, for the sum of Ten Dollars, and other good and valuable considerations, the property located in Utah County, Utah, which is more particularly described in **Exhibit "A"**, which is incorporated herein by this reference.

Together with the benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in any way appertaining thereto, and any and all right, title, and interest of Grantor in and to adjacent roads, rights-of-way, water rights, and easements.

SUBJECT TO all easements, restrictions, rights-of-way and other matters of record or that would be disclosed by a survey or physical inspection of the property, and taxes and assessments for the year 2021 and thereafter.

This Special Warranty Deed is executed by Grantor to be effective as of [[]], 2022.

INTERMOUNTAIN POWER AGENCY, a  
political subdivision of the State of Utah

[DO NOT SIGN – EXHIBIT ONLY]

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
: ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of the Intermountain Power Agency, a political subdivision of the State of Utah.

\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**EXHIBIT A TO SPECIAL WARRANTY DEED**

**(Legal Description of Property)**

**Parcel #23-030-0093**

COM N 120.5 FT & W 670.08 FT FR E 1/4 COR. SEC. 31, T7S, R3E, SLB&M.; S 10 DEG 2' 28" E 272.69 FT; ALONG A CURVE TO R (CHORD BEARS: S 4 DEG 51' 14" E 174.76 FT, RADIUS = 966.5 FT); S 0 DEG 20' 0" W 222.68 FT; N 89 DEG 34' 21" W 98.31 FT; N 0 DEG 12' 33" W 665.31 FT; S 88 DEG 57' 20" E 39.71 FT TO BEG. AREA 1.278 AC.



**STAFF REPORT**

**DATE:** September 29, 2021  
**TO:** Honorable Mayor and City Council  
**FROM:** Heather Penni, City Treasurer  
**SUBJECT:** INVESTMENT POLICY

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**RECOMMENDATION:**

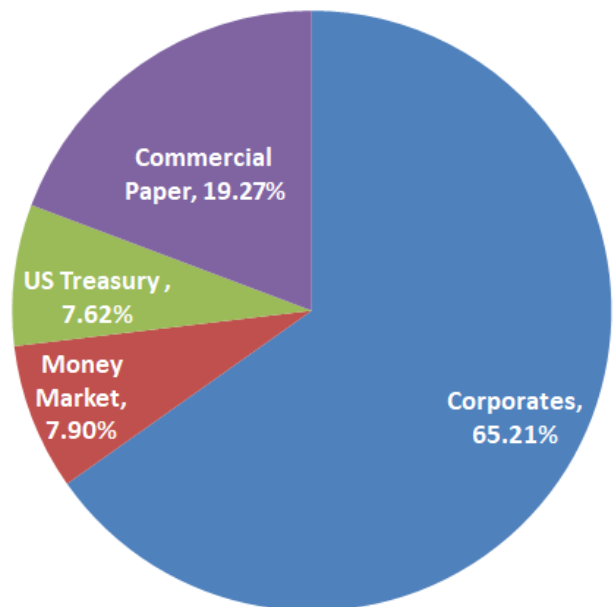
The Finance Department recommends that the City of Springville approve an update to the Springville City Investment Policy.

**BACKGROUND:**

It is the policy of the City to invest public funds in accordance with principles of sound treasury management and in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the Utah State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (the “Act”), and the City’s own written investment policy.

Currently all of the City’s cash assets are kept the State of Utah’s Public Treasurer’s Investment Fund (PTIF). The Utah Public Treasurers’ Investment Fund (PTIF) is available to state and local governments as a fully-liquid investment vehicle. The PTIF invests primarily in investment-grade corporate notes, top tier commercial paper, and money market mutual funds. The PTIF invests only in securities authorized by the Utah Money Management Act.

As of June 30, 2021 PTIF managed \$22,960,202,258 with a portfolio divestiture explained in the pie chart:



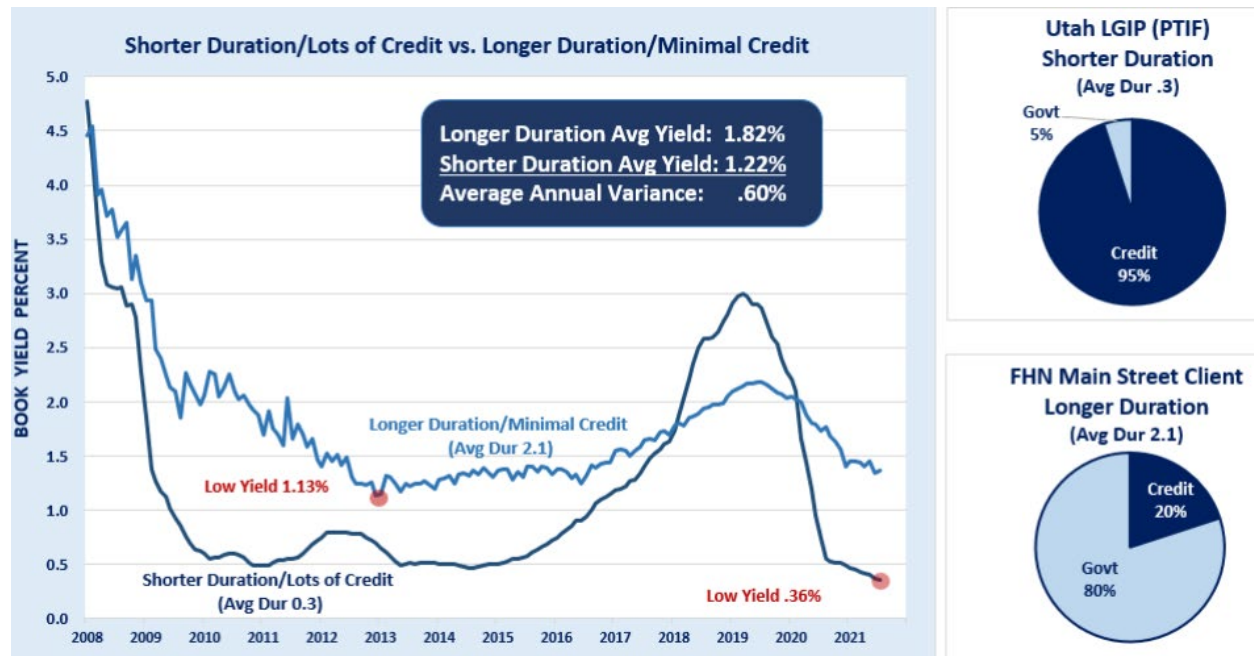
Some of the main reasons the City is recommending changes include:

- 1. To diversify the City’s portfolio and decrease risk

2. Increase the investment income of idle cash
3. Improve risk-adjusted returns
4. Better control to match longer dated cash flow needs
5. To take advantage of current market and macroeconomic conditions

### Historical Performance Analysis

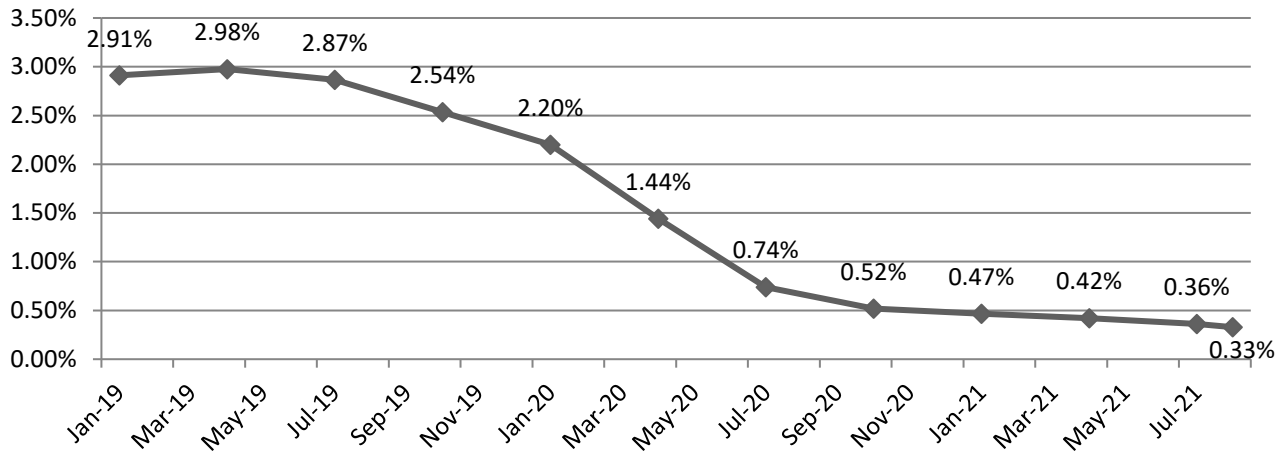
The graph directly below shows a comparison between PTIF (dark blue) and one of FHN Main Street’s account with longer duration (lighter blue). The longer duration account has much less credit risk, matches longer dated cash flow needs, and takes advantage of tactical decisions based on current market and macroeconomic conditions. The portfolio with a longer duration averaged an additional 0.60% in yield on an annual basis versus PTIF during this time. In dollar terms, that is an extra \$60,000 per \$10 million invested. Over the course of last 12 years that would have equated to be ~\$720,000 of additional income per \$10 million invested versus PTIF. This analysis is looking at historical performance; past performance does not guarantee future results.



When rates rise, there are times when a short-term portfolio, such as PTIF, will earn a higher yield than a portfolio with a longer duration. However, over the long-term, having longer duration historically earns more, and this is with less credit exposure than the City has now.

As shown on the graph above, after the financial crisis in 2008, the interest rate earned from PTIF dropped below 1% and remained there until September 2016. This was due to massive monetary accommodation and the Federal Reserve keeping the Fed Funds rate at 0-0.25% for almost 8 years.

The effects on interest rates in 2020 due to COVID has resulted in interest rates dropping back to all-time lows. Note the graph below shows the PTIF yield over the last 30 months:



Similar to what happened with after the 2008 crisis, the Federal Reserve dropped the Fed Funds rate back to zero and provided the market with a massive amount of accommodation, this has caused yields to hit new lows. As of August 2021, the yield for PTIF continued to trend downward. In 24 months, we have experienced a 77% increase of invested funds into PTIF with a rate of return on investment dropping -88.66%.

It is projected the Fed will keeps rates lower over the next two years, with a potential for raising rates after that. However, the City can take advantage of the yield curve now by investing in longer dated securities. Although rates may rise, a few things to consider:

- There is no guarantee that the Fed raises the Fed Funds or rates rise
- Economists generally agree the Fed cannot be aggressive, which especially affects the yield of short-term portfolios such as PTIF
- The 5 year is treasury is currently 0.97%, which is more than 0.60% higher than PTIF. Dollar cost averaging purchases over the next several months in the 3 to 5 year maturity buckets will increase the overall income for the City.

#### DISCUSSION:

- After consultation with the City Council over the last several months, the Finance Department has recommended that the City consider a more diverse investment portfolio that would involve placing some of the City's cash in investments that would produce higher interest earnings than PTIF.
- We have updated our Investment Policy, and it continues to be in line with the Utah State Money Management Act, as all investments of the City's cash must comply with the Utah State Money Management Act.
- Most cities in Utah utilize the services of a State-approved Investment Advisor, who specializes in municipal investments and have the expertise to comply with the Money Management Act.

- On September 7, 2021, City Council approved a multi-year contract with FHN Financial Main Street (FHN) to be our Investment Advisors.

The City has discussed with FHN to lower the City's exposure to credit risk. There are two major types of risk the City incurs; **Credit Risk** (the risk that an issuer defaults on debt), and **Interest Rate Risk** (the change in value of bonds due to the change in rates). The City currently solely invests in PTIF:

- PTIF acts like a money market fund, in that you can take funds out the same/next day.
- Although PTIF acts like a money market, it carries substantial credit risk.
- 85% to 95% of PTIF consists of credit risk through corporate bonds, commercial paper (CP), and money market prime fund holdings.
- The top credit holdings in PTIF as of 6/30/2021 include Toyota, Toronto Dominion, Morgan Stanley, Royal Bank of Canada, JPMorgan, Citi, Bank of America, and Goldman Sachs.
- 65% of the PTIF comprises of variable rate securities.
  - Variable securities' rates fluctuate with a specific benchmark (LIBOR, SOFR, T-bills, etc.)
  - When interest rates fall, the yield of the security will fall at the next reset; when interest rates rise, the yield of the security will rise at next reset date

Utilizing FHN as an Investment Advisor, the City will increase the risk-adjusted returns over the long run by doing the following:

- Diversifying the portfolio by investing in U.S. Treasuries (treasuries) and U.S Agencies (agencies). These securities are considered the most safe and liquid types of assets.
- This achieves the City's objective outlined in the Investment Policy that "investments will be diversified by **security type**, by industry, by issuer, and maturity date to spread potential investment risk"
- Purchasing longer dated treasuries and agencies to generate additional income on cash reserves
  - Purchases will and cannot be longer than 5 years
- The City retains full control, as FHN can only purchase securities with the City's express consent
- The City will maintain ample liquidity for cash flow needs
- Purchasing longer dated securities introduces additional interest rate risk
  - This risk is minimized through diversifying purchases along the 0-5 year part of the yield curve (State law restricts to 5 years max).
  - Buy with the intent to hold to maturity.
  - Match future cash flows so that the City will not need to sell out of a security.
- Increasing duration (a measurement of interest rate risk) will add additional income over the long run for the City. Increasing exposure to these assets will



lower the City's credit exposure and increase the risk-adjusted returns of the City over the long term.

- FHN will also suggest tactical decisions to the City based on the current market and microeconomic factors, such as investing in fixed rated securities when rates may decrease, thus locking in a potentially higher rate.
- FHN will consider the City's overall portfolio when suggesting and implementing investment decisions. This includes accounting for PTIF when analyzing credit exposure, duration, cash flow needs, and tactical decisions

### **State and Local Government Investment Programs**

The investment objectives for State and local governments, such as the City, are much different from investment objectives of retail accounts, pension funds, corporations, and others. A few important notes to consider:

- First and foremost, the City must abide by the Utah Money Management act, which governs how governmental funds can be invested within the State of Utah. Both PTIF and FHN must comply with these rules.
- The City's Investment Policy is in compliance with the State law.
- The UMMA and the City's policy is very similar to most other State and local governments objectives, allowable investments, and other constraints and procedures
- The City is investing operational cash to meet short-term obligations. These funds are tax payer dollars which cannot be invested for speculation, but managed according to cash flow needs, and to achieve the City's primary objectives
- The primary objectives of most, if not all, State and local governments in order of importance is Safety of Principal, Liquidity, and achieving a return/yield based upon the current market conditions.
- The City's investments are restricted to investment grade fixed income instruments. Fixed income securities are bonds that generally pay an agreed upon interest payment with a specified maturity date. Unless an issuer defaults, the City will know the amount of interest expected, the expected payment date(s), and when the bond matures.
  - Most securities will be held-to-maturity. Although the price of bonds fluctuate, they generally mature at par (\$100).
  - This is much different from other securities such as stocks, ETFs, mutual funds, or real estate that the private sector invests. These types of securities carry much more risk, and the value can drop.
  - As an example, if a stock purchased at \$100 drops to \$80, there is no guarantee the stock price rebounds back to \$100. And it may take several years before it rebounds back to \$100. With the type of securities the City invests in, fixed income, if a bond is purchased at \$100, the value of the bond may fluctuate, and the value may drop to \$80; but as long as the issuer does not default, the City will receive interest payments, and at maturity, the bond will mature at \$100.

- The City's duration, or length of time that it holds investments, is much different from other types of funds within the private sector.
  - Other account types can have a duration of 5 years to much longer
  - Most local government accounts duration does not go above 2 to 3 years

### **Summary**

In summary, the City's objective in utilizing FHN are as follows:

- Reduce the City's risk to credit by investing in U.S. Treasuries and Agencies.
- Invest in longer dated securities (not greater than five years).
- Match longer dated cash outflows.
- Have the ability to take advantage of tactical decisions based on current market conditions.

### **Positives**

- Provide more diversification
- In times of distress, treasuries and agencies generally are more liquid. While PTIF is considered to be "same day cash", it is important to understand the risk during a credit event such as the Great Financial Crises or the COVID recession, when over 85% of the portfolio is in credit.
- Over the long run, having a longer duration earns more income for the City. The City is able to do this because of the minimal cash outflows over the last several years.
- FHN is part of a large organization that includes credit strategists, market strategists, economists, and portfolio managers. The City will be able to draw upon these resources to achieve higher risk-adjusted returns over the long term.

### **Negatives**

- When rates rise, longer duration will underperform shorter duration portfolios such as PTIF. But as stated above, having a longer duration has paid more over time.
- Longer dated securities are subject to market values fluctuation. The City could sell a security at a realized gain or loss if sold prior to maturity. This risk is minimize by generally holding securities to maturity.

### **FISCAL IMPACT:**

The intended fiscal impact is to diversify investments creating more opportunity for increased interest revenue and long-term financial strength.

**Springville City  
INVESTMENT POLICY**

Finance / Treasury

Created: 2005

Revised: 09/10/2021

**1. PURPOSE**

The City of Springville seeks to invest public funds in securities and deposits that provide a high degree of safety and liquidity along with a competitive yield based on prevailing market conditions while meeting the daily cash flow demand of the city. All investments and deposits are placed subject to applicable City and State ordinances and laws pertaining to investment of public funds in the State of Utah, specifically the State Money Management Act, which provisions are hereby incorporated as part of this policy.

**2. SCOPE**

This investment policy covers investment of all financial assets reported in the Annual Audit Report for the City of Springville, the Springville Redevelopment Agency (RDA) and the Springville Municipal Building Authority (MBA). The scope includes all Governmental, Proprietary, and Fiduciary fund types.

**FUNDS:**

Governmental Funds

- General Fund
- Special Revenue
  - Special Improvement District
  - Impact Fee Funds
- Debt Service
- Capital Project Fund
- Redevelopment Agency
- Municipal Building Authority

Proprietary

- Enterprise Funds
  - Water Fund
  - Sewer Fund
  - Electric Fund
  - Storm Water Fund
  - Solid Waste Fund
  - Golf Course Fund
- Internal Service Funds
  - Central Shop Fund
  - Facility Maintenance Fund
  - Vehicle and Equipment Replacement Fund

## Fiduciary Funds

Special Trusts Fund

Cemetery Perpetual Care Fund

Any new funds created will also be subject to this investment policy, to State statute, and rulings of the Utah Money Management Council.

### **3. PRUDENCE**

The standard of prudence applied by the City's investment officials is the "prudent person" and/or "prudent investor" rule.

*"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well, as the probable benefits to be derived, and the probable duration for which such investment may be made, and considering the investment objectives specified in section 4.0"*

This standard shall be applied in the context of managing the overall investment portfolio of the City. The City Treasurer, acting in accordance with the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price change, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **4. OBJECTIVES**

Funds of the City will be invested in accordance with the State Money Management Act found at Utah Code Annotated Title 51 Chapter 7. (All future reference to the State Money Management Act within this Policy are found in Title 51, Chapter 7 of Utah Code Annotated.) The objectives of the State Money Management Act and the City in order of priority are:

- Safety of Principal: Safety of principal/capital is the foremost objective of the investment program. Investments shall be made to ensure the preservation of capital in the overall portfolio. Investments will be diversified by security type, by industry, by issuer, and maturity date to spread potential investment risks.
- Liquidity: The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. Efforts to achieve this objective will be focused on matching the term to maturity of investments with the period of availability of funds.

- Return on Investment: The investment portfolio will be designed with the objective to earn a market rate of return throughout budget years and economic cycles, taking into account investment risk, legal requirements and cash flow needs.

## 5. **DELEGATION OF AUTHORITY**

The City Treasurer's authority to manage the City's investment program is derived from Utah Code Annotated, Section 10-6-141. The City Council and Mayor have assigned the responsibility for conducting investment transactions to the City Treasurer in Springville City Code Section 2-6-102. The City Treasurer is responsible for investment decisions and activities. The City Treasurer shall develop and maintain administrative procedures for the operation of the investment program consistent with these policies. In the event of an emergency and the unavailability of the City Treasurer, the City Administrator and/or the Senior Accountant are authorized to conduct the City's investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the general policies and procedures as adopted by the City. The Finance Director and/or City Accountant shall also confirm investment transactions.

### Investment Procedures:

The City Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. A copy will be on file in the Finance office and will be reviewed and updated regularly. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Treasurer.

## 6. **ETHICS AND CONFLICTS OF INTEREST**

Those involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. Employees and investment officials shall disclose to the City Recorder any material financial interests in financial institutions that conduct business within the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the time of purchases and sales.

**7. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

Financial institutions and investment brokers and dealers who desire to become qualified bidders or qualified depositories must be certified by the State and meet all requirements imposed by the Utah Department of Financial Institutions and the requirements of the Utah Money Management Council. (Specifically, “Rule 16: Certification as a Dealer” as contained in the Money Management Council Rules must be followed.) The Utah Money Management Council issues a quarterly list of certified dealers and a list of qualified depositories authorized by state statute to conduct transactions with public treasurers. Transactions involving authorized deposits or investments of public funds may be conducted only through issuers of securities authorized by the State Money Management Act, Section 51-7-11(3), qualified depositories included in the current state list or certified dealers included in the current state list. All securities purchased from a certified dealer are required to be delivered to the City Treasurer or to the City’s safekeeping bank.

**8. AUTHORIZED AND SUITABLE INVESTMENTS**

The City may place public money in investments and deposits authorized by the State Money Management Act, Section 51-7-11. Any revisions or extensions of Section 51-7-11 will be assumed to be part of this policy immediately upon being enacted. The list of authorized and suitable investments in the Act shall be strictly interpreted. A summary grid of the authorized and suitable investments can be found in Appendix A of the Policy.

The City Treasurer shall ensure that all purchases and sales of securities are settled within 15 days of the trade date for outstanding issues, and 30 days for new issues.

**9. INVESTMENT POOLS/MUTUAL FUNDS**

The City, as part of the City’s thorough investigation of any prospective investment pool or mutual fund, will require the following from the Utah Public Treasurers’ Investment Fund or similarly qualified investment pool or mutual fund prior to any investing with said pool or fund:

- A. Monthly statement detailing all transactions on each investment account held by the city such as:
  - i. Date and account number for each account.
  - ii. Reference date for each transaction.
  - iii. All deposits and withdrawals listed by date.
  - iv. Report period covered.
  - v. Balance for each account.

- vi. Account summary:
- beginning balance;
  - deposits in the period;
  - withdrawals in period;
  - ending balance;
  - gross earnings;
  - fee (0%);
  - net earnings;
  - average daily balance;
  - gross earnings rate;
  - net earnings rate.

- B. Every six months, provide a statement of how the pool/fund invests said funds and how often the securities are priced and how often the pool/fund is audited.
- C. A current copy, at least annually, of the State Money Management Act and Rules of the State Money Management Council.
- D. Receive quarterly, a copy of the approved list of depository institutions that have been qualified as depositories to receive public funds. Also included will be a listing of allowable maximum amount of public funds allowed per institution.
- E. Receive quarterly, a copy of the listing of certified dealers and their agents who are certified to receive public funds.

## 10. COLLATERALIZATION

In the State of Utah, the collateralization of public funds is not required.

## 11. SAFEKEEPING AND CUSTODY

All security transactions by Springville City shall be conducted on a delivery-versus-payment basis. All security transactions shall be held in safekeeping by a third-party institution which adheres to the guidelines as set forth in the State Money Management Act, Section 51-7-7. Securities held in safekeeping will be evidenced by a safekeeping receipt issued to the City Treasurer within a few business days following the purchase.

## 12. DIVERSIFICATION

Investments entered into by the City will be diversified by security type, industry, institution and maturity to spread potential investment risk and return among many classes of investments. As measured by cost, the portfolio will be invested no more than 50% in any one class of investments with the understanding that

this restriction does not apply to U.S. Treasury bonds, notes, and bills; U.S. government agency obligations; and the Utah State Public Treasurer's Investment Fund. Diversification of investments with a single institution must comply with applicable rules of the Act. The summary grid in the appendix shows the maximum allowable amount by security type and issue.

Furthermore, for issuers which are not covered by rules or statute, the City will restrict its investments to no more than 20% with a single issuer with the exception of funds invested with the Utah State Public Treasurers' Investment Fund, U.S. Treasury securities, U.S. government agency securities, or funds held in trust(i.e. construction, sinking, or reserve bond funds, etc.).

### **13. MAXIMUM MATURITIES**

As stated in the State Money Management Act, Section 51-7-11(2),

*"the remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested."*

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as the Utah State Treasurer's Investment Fund or money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations. See the summary grid in the appendix for more detail regarding maximum maturities.

### **14. INTERNAL CONTROL**

Investment decisions and day-to-day management of the portfolio are the responsibility of the City Treasurer. The Finance Director and City Accountant provide an independent check on investments made by confirming each trade and reviewing investment/deposit reports and accounts on a monthly basis. Investment reports are distributed semi-annually to the City Administrator, Mayor and City Council, for their review and input on the investment program. The Utah Money Management Council also reviews the content of the portfolio semi-annually in July and January for the periods ending June 30 and December 31. The investments and deposits are also subject to annual independent audit by the City's outside auditors.

### **15. PERFORMANCE STANDARDS**

Market yields will be sought throughout the budget and economic cycle consistent with the overriding objectives stated. In keeping with Utah state law and the city's investment strategy, funds will be placed for investment and not speculation, (i.e. technically referred to as a passive investment strategy). The



benchmark standard for rate of return on the City portfolio will be the average rate of return on similar investments and portfolios such as a U.S. Treasury Index.

**16. REPORTING**

Management reports on the City's portfolio are generated and distributed semi-annually to the City Administrator and the Mayor and City Council for review and comment. The first report will provide a breakdown of the balances and allocation of interest for each city fund which has money invested through the City Investment Fund. The second report will provide the list of investments and deposits as sent to the state semi-annually. The list of investments and deposits is provided semi-annually to the Utah Money Management Council for compliance review as required by Section 51-7-15 of the State Money Management Act. The investment portfolio and deposits are included in the Comprehensive Annual Financial Report for the City.

**17. INVESTMENT POLICY ADOPTION**

Investment policies are developed by the Finance Department and reviewed with the City Administrator, Mayor and City Council subject to the rules of the State Money Management Act. The City's investment policy shall be adopted by resolution of the Springville City Council.

**18. APPENDIX**

- Appendix A: Utah Code Annotated, Section 5-7-11.  
Authorized deposits or investments of public funds.
- Appendix B: Glossary

APPENDIX A: Utah Code Annotated 51-7-11. Authorized deposits or investments of public funds.

<b>Security Type, Utah Code Reference</b>	<b>Maximum Portfolio %</b>	<b>Maximum Issuer %</b>	<b>Maturity Restrictions</b>	<b>Rating Restrictions</b>
<b>Negotiable or Non-negotiable CDs of Qualified Depositories</b> 51-7-11 (3)(a)	25%	5%	1 year	FDIC insured or "AA" or higher
<b>Qualifying or Non-qualifying Repurchase Agreements*</b> , 51-7-11 (3)(b)	25%	5%	1 year	A-1 or higher for counterparty
<b>Qualifying or Non-qualifying Reverse Repurchase Agreements*</b> , 51-7-11 (3)(b)	25%	5%	90 days	A-1 or higher for counterparty
<b>Qualifying Repurchase Agreements and Reverse Repurchase Agreements**</b> , 51-7-11 (3)(c)	25%	5%	1 year	A-1 or higher
<b>Commercial Paper</b> , 51-7-11 (3)(d)	25%	5%	270 days or 365 days	A-1 or higher by 2 NRSROs
<b>Bankers' Acceptances</b> , 51-7-11 (3)(e)	25%	5%	270 days	Issuer rated; A-1 or higher
<b>Fixed Rate Negotiable Deposits by Permitted Depository</b> 51-7-11 (3)(f)	25%	5%	365 days	FDIC insured or "A-1" or higher
<b>U.S. Treasuries</b> , 51-7-11 (3)(g)	100%	100%	5 years	Not Applicable
<b>U.S. Agencies and Instrumentalities</b> , 51-7-11 (3)(h)	100%	35%	5 years	Not Applicable
<b>Fixed Rate Corporate Obligations</b> , 51-7-11 (3)(i)	25%	5%	15 months	A or higher by 2 NRSROs
<b>Tax Anticipation Notes and General Obligation Bonds</b> , 51-7-11 (3)(j)	25%	5%	5 years	Top 2 tiers (A-1/AA) or better
<b>Municipal Bonds of Utah</b> , 51-7-11 (3)(k)	25%	5%	5 years	"AA" or higher
<b>Money Market Mutual Funds</b> , 51-7-11 (3)(l)	100%	50%	Not Applicable	AAAm
<b>Variable Rate Negotiable Deposits</b> , 51-7-11 (3)(m)	25%	5%	3 years	FDIC insured or "AA" or higher
<b>Variable Rate Securities</b> , 51-7-11 (3)(n)	25%	5%	3 years	"A" or higher by 2 NRSROs
<b>Negotiable Brokered Certificates of Deposits</b> , 51-7-11 (3)(p)	25%	97% of FDIC Insurance	5 years	97% of FDIC insurance limit per institution; price shall not exceed par
<b>Public Treasurer's Investment Fund (PTIF)</b>	100%	100%	Not Applicable	Not Applicable

## APPENDIX B: Glossary

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises. *(Referenced in Appendix A)*

**BENCHMARK:** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments. *(Referenced in Section 15)*

**BROKER:** A broker brings buyers and sellers together for a commission. *(Referenced in Section 7 and Appendix A)*

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies. *(Referenced in Section 10)*

**CUSTODY:** A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal. *(Referenced in Section 11)*

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account. *(Referenced in Section 7 and 9)*

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns. *(Referenced in Section 12)*

**DUE DILIGENCE:** Such a measure of prudence, activity, assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent person under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of the special case. *(Referenced in Section 3)*

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits, currently up to \$250,000 per deposit. *(Referenced in Appendix A)*

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes. *(Referenced in Section 1, 4 and 13)*

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable. *(Referenced in Section 4, 12, 13 and Appendix A)*

**PORTFOLIO:** Collection of securities held by an investor. *(Referenced in Section 3, 4, 6, 12, 13, 14, 15, 16 and Appendix A)*

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return. *(Referenced in Section 4 and 15)*

**REPURCHASE AGREEMENT (RP OR REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money increasing bank reserves. *(Referenced in Appendix A)*

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection. *(Referenced in Section 7 and 11)*

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years. *(Referenced in Section 12)*

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond. *(Referenced in Section 1 and 15)*



## STAFF REPORT

**DATE:** September 28, 2021

**TO:** Honorable Mayor and City Council

**FROM:** Josh Yost

**SUBJECT:** Clair Nixon seeking an amendment to Springville City Code, Section 11-4-301, Land Use Matrix, concerning the distance from Main Street to allow warehousing.

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### **RECOMMENDED MOTION**

Move to deny the proposed zone text amendment.

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

Is the proposed amendment in accordance with the General Plan of the City?

Do changed or changing conditions make the proposed amendment necessary to the promotion of the purposes of the Development Code of Springville, Utah?

### **BACKGROUND**

On May 19, 2020, the City Council adopted an ordinance amending Springville City Code Section 11-4-301, Land Use Matrix, to prohibit office/warehouse and other similar uses within 500 feet of an arterial street, including, but not limited to, the streets in Springville known as Main Street, 1400 North (SR 75), 400 South (SR 77) and SR 51 within the Highway Commercial and Regional Commercial Zones. This action made the existing manufacturing use of the property at 965 N. Main Street nonconforming.

Mr. Nixon desires to construct an addition to the existing building to accommodate the needs of the tenant's manufacturing use. As a nonconforming use governed by Springville Code 11-3-205, it cannot be expanded on the lot beyond the extents of the existing building.

11-3-205 (2) Limits to Expansion of Use. A nonconforming use may be expanded through the same building in which it is located, provided no structural alteration of the building is proposed or made for the purpose of the extension. For purposes of this subsection, the addition of a solar energy device to a building is not a structural alteration. A nonconforming use may not be expanded on a lot.

To accommodate the needs of the tenant, Mr. Nixon has requested a zone text amendment to exempt the location of his building on Main Street from the prohibition on office/warehouse and other similar uses within 500 feet of an arterial street.

**ANALYSIS**

Is the proposed amendment in accordance with the General Plan of the City?

The proposed amendment does not accord with the area’s designation as Commercial on the General Plan Future Land Use Map. As stated in Section 2.6.1 This category includes all retail, service, and professional office space within the City. The existing use of the property falls under the General Plan’s Industrial/Manufacturing land use designation.

Do changed or changing conditions make the proposed amendment necessary to the promotion of the purposes of the Development Code of Springville, Utah?

No changed or changing conditions are cited that make the proposed amendment necessary. The City Council has consistently directed staff to focus the areas of the City where industrial and manufacturing uses are located. Carving out an area on Main Street for the expansion of such uses runs counter to this guidance.

**PLANNING COMMISSION REVIEW**

The Planning Commission considered the proposed amendment on August 24, 2021.

COMMISSION ACTION: Recommend denial of the proposed zone text amendment

**Commission Vote**

<u>Commissioner</u>	<u>Yes</u>	<u>No</u>
Genevieve Baker	X	
Karen Ellingson	X	
Michael Farrer	Excused	
Kay Heaps	X	
Brad Mertz	X	
Rod Parker	X	
Frank Young	X	

**ALTERNATIVES**

Recommend approval of the proposed zone text amendment.

## Attachments

Planning Commission Staff Report including applicant's written statement  
Planning Commission Minutes





**PLANNING COMMISSION  
STAFF REPORT**

Agenda Item 4  
August 24, 2021

TO: Planning Commission Members  
FROM: Josh Yost  
RE: Clair Nixon seeking an amendment to Springville City Code, Section 11-4-301, Land Use Matrix, concerning the distance from Main Street to allow warehousing.

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**Petitioner:** Clair Nixon

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**Summary of Issues**

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Is the proposed amendment in accordance with the General Plan of the City?

Do changed or changing conditions make the proposed amendment necessary to the promotion of the purposes of the Development Code of Springville, Utah?

**Background**

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On May 19, 2020, the City Council adopted an ordinance amending Springville City Code Section 11-4-301, Land Use Matrix, to prohibit office/warehouse and other similar uses within 500 feet of an arterial street, including, but not limited to, the streets in Springville known as Main Street, 1400 North (SR 75), 400 South (SR 77) and SR 51 within the Highway Commercial and Regional Commercial Zones. This action made the existing manufacturing use of the property at 965 N. Main Street nonconforming.

Mr. Nixon desires to construct an addition to the existing building to accommodate the needs of the tenant's manufacturing use. As a nonconforming use governed by Springville Code 11-3-205, it cannot be expanded on the lot beyond the extents of the existing building.

11-3-205 (2) Limits to Expansion of Use. A nonconforming use may be expanded through the same building in which it is located, provided no structural alteration of the building is proposed or made for the purpose of the extension. For purposes of this subsection, the addition of a solar energy device to a building is not a structural alteration. A nonconforming use may not be expanded on a lot.

To accommodate the needs of the tenant, Mr. Nixon has requested a zone text amendment to exempt the location of his building on Main Street from the



prohibition on office/warehouse and other similar uses within 500 feet of an arterial street.

### **Analysis**

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Is the proposed amendment in accordance with the General Plan of the City?

The proposed amendment does not accord with the area's designation as Commercial on the General Plan Future Land Use Map. As stated in Section 2.6.1 This category includes all retail, service, and professional office space within the City. The existing use of the property falls under the General Plan's Industrial/Manufacturing land use designation.

Do changed or changing conditions make the proposed amendment necessary to the promotion of the purposes of the Development Code of Springville, Utah?

No changed or changing conditions are cited that make the proposed amendment necessary. The City Council has consistently directed staff to focus the areas of the City where industrial and manufacturing uses are located. Carving out an area on Main Street for the expansion of such uses runs counter to this guidance.

### **Staff Recommendation**

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Staff finds that the proposed amendment does not meet the criteria established in Springville Code 11-7-101, and listed above.

### **Recommended Motion**

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Move to recommend denial of the proposed zone text amendment.

### **Attachments**

1. Applicant's written statement of zone text amendment request

DCW- SPR, LLC  
3805 N. 450 W.  
Provo, Utah 84604  
August 4, 2021

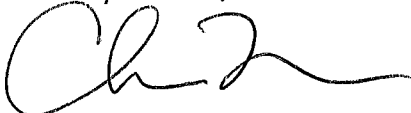
Springville Community Development:

It is proposed that the property at 965 N. Main Street, Springville be allowed to add storage facilities at the rear of the existing building. The storage facility would be attached at the rear and run west to the end of the property. The storage facility would greatly enhance the manufacturing capability of the existing facility. The lessee, Lacore Nutraceuticals has specifically requested this added facility. The square footage of the proposed structure is 15,000 square feet.

We are seeking an amendment to the ordinance which prohibits any storage facility within 500 feet of Main street. The addition of the proposed structure would begin at 350 feet from Main Street. In addition, it would not be visible from Main Street as it would located at the rear of the existing building.

The proposed amendment would only apply to the section of Main Street from 900 N to 1060 N.

Thank you for your consideration of this request.



Clair Nixon

Managing Partner

**IN ATTENDANCE**

**Commissioners Present:** Chair Karen Ellingson, Genevieve Baker, Frank Young, Brad Mertz, Rod Parker and Kay Heaps

**Commissioners Excused:** Michael Farrer

**City Staff:** Josh Yost, Community Development Director  
John Penrod, City Attorney  
Laura Thompson, City Planner  
Heather Bakker, Executive Assistant

**City Council:** Matt Packard

**CALL TO ORDER**

Chair Ellingson called the meeting to order at 7:02 p.m.

**APPROVAL OF THE MINUTES**

*August 10, 2021*

Commissioner Mertz moved to approve the August 10, 2021 meeting minutes with the corrections sent in. Commissioner Heaps seconded the motion. The vote to approve the meeting minutes was unanimous.

**APPROVAL OF THE AGENDA**

Commissioner Baker asked why the administrative session is before the Legislative Session. Director Yost said we had planned a 15 minutes presentation preceding a potentially longer discussion. Commissioner Young moved to approve the agenda as written. Commissioner Parker seconded the motion. The vote to approve the agenda was unanimous.

**CONSENT AGENDA**

- 1. Brixton Partners seeking site plan approval for Regent's Park, an office warehouse project located at 317 N 2000 W in the HC-highway Commercial Zone.*

47 **2. Camberlango Development Group seeking preliminary approval for the**  
48 **Condie Farms, Plat C Subdivision located in the area of 550 N 1500 W in the**  
49 **R1-8 Single-Family and WF-1 Westfields Overlay Zones.**  
50

51 Commissioner Mertz moved to approve the Consent Agenda. Commissioner Young  
52 seconded the motion. The vote to approve the Consent Agenda was unanimous.  
53

54 **ADMINISTRATIVE SESSION**  
55

56 **3. A presentation and discussion regarding development concepts and zoning**  
57 **concerns for the Allen's Block**  
58

59 Auggie Wasmund presented. He went over the proposed project. He showed a basic  
60 site plan and explained the different product types planned for the site.  
61

62 The Commissioners concerns are:

- 63 • Townhome height
- 64 • How the buildings on Main Street and 400 South will look and ensuring it keeps  
65 with the feel of Springville
- 66 • Parking
- 67 • Trash Removal
- 68 • Interior facades
- 69 • Viable Commercial  
70

71 Mr. Wasmund's concerns are:

- 72 • Parking
- 73 • Building Height
- 74 • Ground floor residential
- 75 • Minimum habitable floor depth
- 76 • Story limitations
- 77 • Materials - especially desires more than 10% stucco
- 78 • Wants the building height step back off 400 S to be changed from 55 to 30 feet.  
79

80 Commissioner Heaps wants a clock tower. Commissioner Young asked for photos to be  
81 brought in of examples of exteriors. Commissioner Parker directed to use materials  
82 other than stucco. Commissioner Mertz asked for more defined plans. Chair Ellingson  
83 made sure the residential is ADA compliant.  
84

85 **4. Clair Nixon seeking an amendment to Springville City Code, Section 11-4-**  
86 **301, Land Use Matrix, concerning the distance from Main Street to allow**  
87 **warehousing.**  
88

89 Director Yost presented. Mr. Nixon wants to construct an addition of 15,000 square  
90 feet to accommodate the expansion of the manufacturing use of the tenant he has in  
91 the building. It is some type of manufacturing use that bottles a product. Under code  
92 11-2-305 (2), non-conforming uses cannot be expanded on the lot. They can be

93 expanded in the building. Mr. Nixon is asking to exempt the location of his building  
94 from the prohibition of the office warehouse manufacturing code within 500 feet of an  
95 arterial street. Staff doesn't find any conditions or changes that make the proposed  
96 amendment necessary. This request counters the guidance of the City Council. Staff  
97 recommends denial.

98  
99 Commissioner Heaps asked if the expansion would be directly behind their current  
100 building. Director Yost said it would be from the building to the rear property line.  
101 Commissioner Ellingson asked if we are measuring 500 feet from Main Street.  
102 Director Yost said yes.

103  
104 Chair Ellingson opened the public hearing at 7:54 p.m. Seeing there was no public  
105 comment, Commissioner Mertz moved to close the public hearing. Commissioner  
106 Heaps seconded. The public hearing was closed at 7:54 p.m.

107  
108 Commissioner Heaps moved to recommend denial of the proposed zone text  
109 amendment. Commissioner Mertz seconded. The vote to deny the Legislative Item  
110 was unanimous.

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112 ***5. David Simpson seeking a recommendation for the adoption of the Westfields***  
113 ***Central New Neighborhood Plan.***

114  
115 Director Yost distributed the new neighborhood plan packet that we are discussing  
116 tonight. He presented.

117  
118 He said that no development entitlement exists under the zone until a new  
119 neighborhood plan is adopted by the Council by recommendation from Planning  
120 Commission and a development agreement is adopted. All development within the  
121 traditional neighborhood development overlay zone is governed by the specific  
122 neighborhood plan. He described what needs to be included and quickly reviewed the  
123 packet.

124  
125 Director Yost explained the detention area. Chair Ellingson asked who retains it.  
126 Director Yost said it will be dedicated to the City. Commissioner Young asked if a soccer  
127 field could be put in there. Director Yost said you could based on dimensions, but  
128 probably won't be able to based on grading. We are looking at terracing with a  
129 performance platform that is four feet deep to provide usable space.

130  
131 Chair Ellingson expressed concern about mosquitos and swamp areas such as Wing  
132 Park, Community Park and Devon Glen park. Director Yost said there was a  
133 geotechnical evaluation done and there was plenty of headroom on the water table.  
134 There is a lot of groundwater just because of where we are. The land drains that exist in  
135 the area will be rerouted to the groundwater drainage system.

136  
137 Director Yost said there will be an architectural review with the design standards with  
138 the development agreement to make sure we get a good product.