



MILLCREEK ARTS COUNCIL

CITY COUNCIL REPORT – DECEMBER 2021





WHERE WE'VE BEEN



- December 2019
 - Chair: Mitchell Vice
 - Treasurer: Angel Vice
 - Director: Eric McKenna-Spreng
- January 2020
 - Designated Arts Agency
- March 2020
 - COVID Lockdown



WHERE WE'VE BEEN



- August 2020
 - \$15,000 in the bank
 - MMM&MM
 - Safety, Fun, Community
 - News Coverage
 - +/-500 Attendees
 - Taxes... What taxes?





WHERE WE'VE BEEN

- August 2020
 - IRS Exemption Revocation
 - Expired Corporate Registration
- December 2020
 - New Corporate Registration





WHERE WE ARE



- December 2020
 - Joined Utah Nonprofits Association
- April 2021
 - New Board Elected
 - New Committees Chaired
- May 2021
 - Application for Recognition of Exemption
- October 2021
 - Retained Council



THE YEAR IN REVIEW



- High Quality Local & National Talent
- Over 200 Attendees each show
- 9 Concerts



THE YEAR IN REVIEW



ART EVERY DAY.

GETTING VISUAL AT THE LIBRARY!

Call for Millcreek Visual Artists!

The Millcreek Arts Council is working in
collaboration with the Millcreek Salt Lake
County Library to resume our community
monthly visual art display.



R.C. HAWKINS

NOVEMBER 2021



Photography by
Tom Foster



MIRSADA
BUSULADZIC
NOVEMBER 2021





SUZY BARTON
DECEMBER 2021





THE YEAR IN REVIEW



MILLCREEK “URBAN WILDRNESS” CALENDAR

- 2000 Printed Calendars
- 6 Local Photographers
- Four Local Business
- 2 Community Councils
- Free to Residents





2022 AND BEYOND

- 501c3 Federal Exemption Reinstated
- Attorney-approved Bylaws, Registration & Status
- Build Community Partnerships/ Business Council/ Youth Council/ Community Councils/
- Build Current Programming: 1 additional Music event, 2 Theater events
- Working closely with the Millcreek schools to advocate for and offer resources to students & beginning artists





2022 AND WAY BEYOND

- Performing & Practicing Arts Center
- Paid Directorial Staff
- Public Art Installations throughout the City
- Artist Residencies
- Mural Festival
- Having Millcreek attract Artists and generate revenue from Art lovers, art tourists and art collectors from around the State and across the globe





MILLCREEK ARTS COUNCIL

CITY COUNCIL REPORT – DECEMBER 2021





3330 South 1300 East
Millcreek, UT 84106
801-214-2700
millcreek.us

File # ZT-21-008

City Council Staff Report

1st Reading

Date: 13 December 2021

Request: Adoption allowing a caretaker dwelling as a permitted use within Commercial Zones to the Zoning Ordinance

Prepared By: Robert May, Long Range Planning Manager

Applicant: Bruce Baird

File No.: ZT-21-008

SYNOPSIS AND SCOPE OF DECISION

The applicant is petitioning City Council with a text amendment that would permit the use of a caretaker dwelling in the Commercial Zones Chapter 19.60 of the Millcreek Code. Subsequently this would also include the adoption of the definition of a “Caretaker Dwelling” in Chapter 19.04 Definitions.

In an attempt to avoid confusion and remain consistent, staff is suggesting that changes be made to the Light Manufacturing “M” Zone Chapter 19.66 of the Millcreek Code, under permitted and conditional uses section 19.66.020 Table 19.66-1 so that the permitted use “Caretaker Residence” is amended to read as “Caretaker Dwelling” along with the specific use standards proposed by staff.

Applicants Proposed Definition

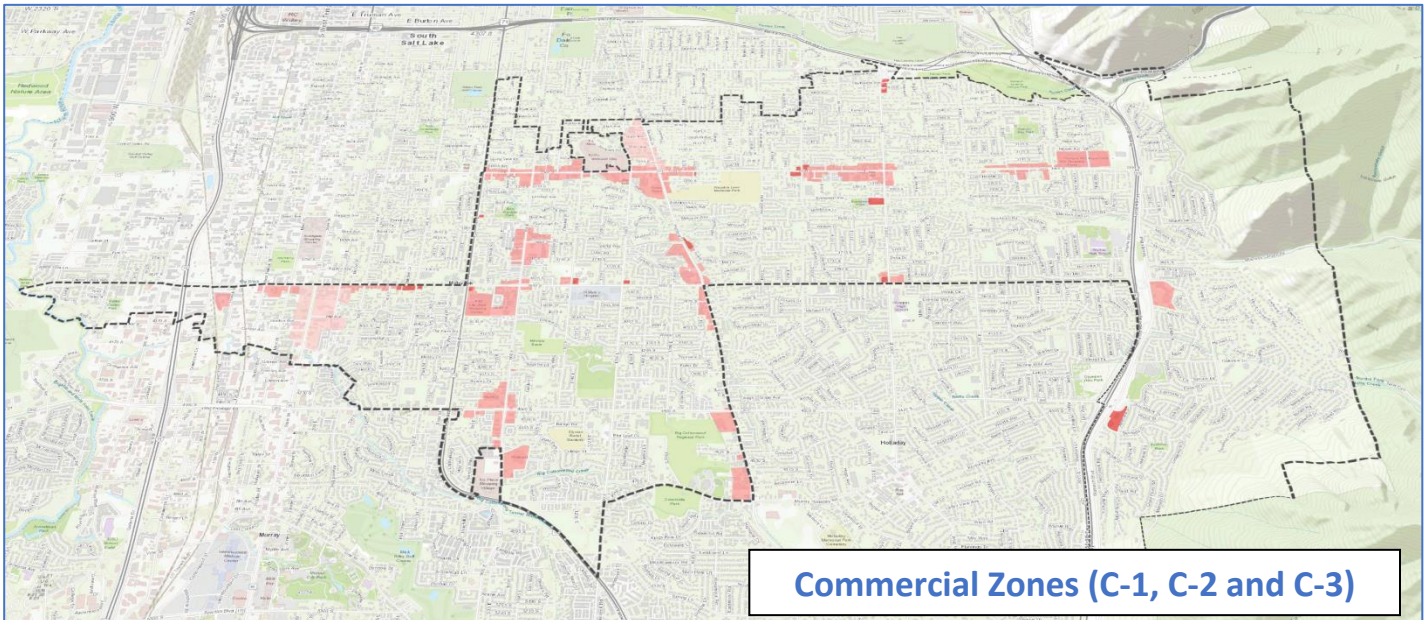
Dwelling, Caretaker: Caretaker dwelling means a single Dwelling Unit that is under common ownership with and integrated into a commercial building and is used by an employee of the commercial building for security or maintenance purposes.

Pursuant to §19.05.030 of the Millcreek Code, the Planning Commission shall make a recommendation to the Millcreek Council for land use ordinances, zoning maps, official maps, and amendments.

The proposed text change enables the property owner whose land is located in a commercial zone to have and maintain a caretaker dwelling for the purposes of security and maintenance. The proposed text would be limited to a single dwelling that would be integrated into the commercial building. The dwelling would be under the same ownership as the property and could only be used by an employee of the commercial building.

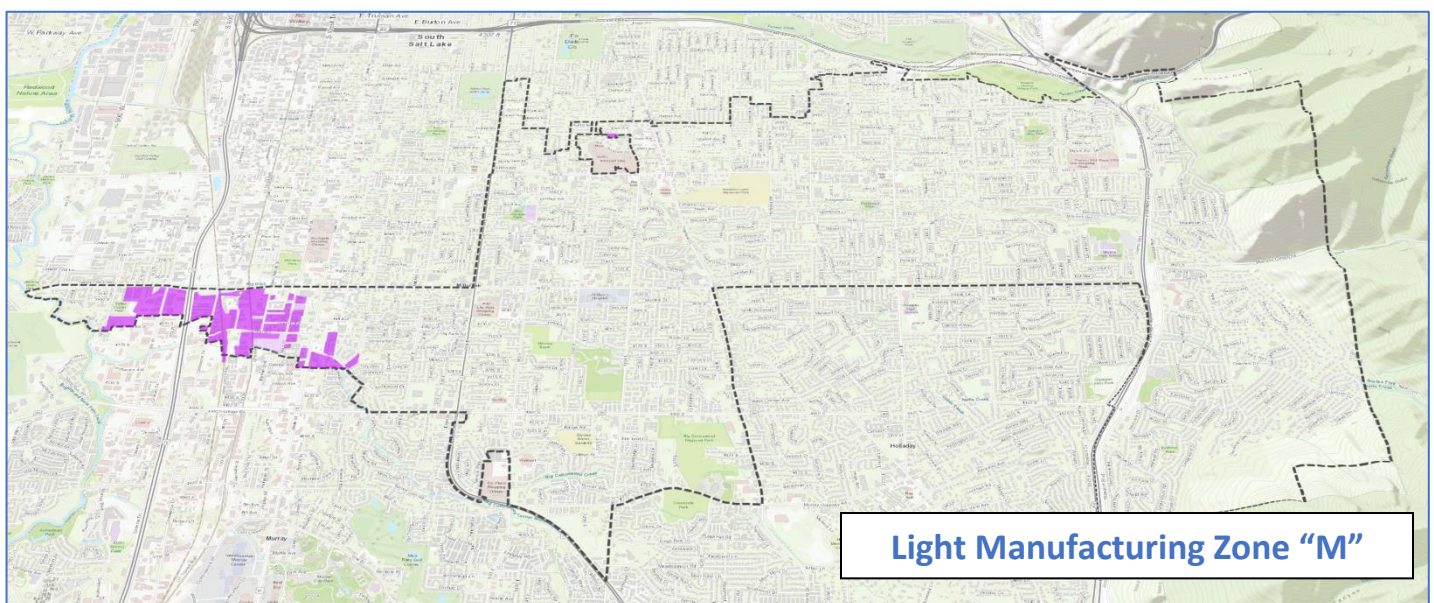
Currently, the C-2 and C-3 zones allow a similar concept under vertically-integrated mixed use buildings and mixed use developments known as live/work units. Specific standards apply and are typically proposed as a multi-family mixed-use projects subject to a percentage of frontage being required as commercial. The proposed text amendment of a caretaker dwelling would be similar in that the dwelling would be integrated into the building.

Affected Zones



Click [here](#) to view the Commercial Zones

Currently, located in the Light Manufacturing Zone “M”, those permitted and conditional uses in the C-3 Zone are allowed and subject to all prohibitions, limitations, standards and/or conditions in the C-3 zone, Chapter MKZ 19.60 and specifically the prohibitions and limitations of table 19.60-2.



Click [here](#) to view the Light Manufacturing Zone

Furthermore, a caretaker's residence is **already** recognized as a permitted use in the Light Manufacturing Zone "M", only as a secondary use to a principle use.

Table 19.66-1

USES	M	SPECIFIC USE STANDARDS
Light Manufacturing	P	
Warehousing	P	
Commercial		Allowed uses: those permitted and conditional uses in the C-3 Zone as per CHAPTER MKZ 19.32 COMMERCIAL ZONES
Any development that shares a common boundary with a residential use and/or zone	C	Transitions are required as per Table 19.66-3
Outdoor Storage as an accessory to a principle use	P	See section MKZ 19.66.050 A (4)
State Store or Packing Agency	P	
Sexually Oriented Business	C	Subject to Chapter MKZ 19.91
Truck Transfer Company	C	Temporary outside storage of trucks and trailers allowed as defined by MKZ 19.66.050 A (4)
Vehicle and Equipment repair & auto body shops	P	See outdoor storage restrictions in MKZ 19.66.050 A (4)
Accessory uses and buildings customarily incidental to conditional and permitted uses. Accessory use may include outside repair, fabrication, and cleaning of equipment, vehicles, and/or stored products	P	
Caretaker's residence	P	Only as a secondary use to a principle use

Staff is not opposed to caretaker dwelling being located in the Commercial Zones pending specific use standards apply. In an attempt to distinguish the caretaker dwelling from a live/work unit and control for other possible scenarios that would result in the caretaker dwelling not being used as such.

Staff's Proposed Definition and Standards

***Dwelling, Caretaker:* means no more than one dwelling unit that is under common ownership and is attached or internal to the main building and its commercial use and is used for the accommodation of an employee, business owner and person under contract of the commercial use and main building for security or maintenance purposes.**

Per Table 19.60-1 of the Commercial Code, a caretaker dwelling must meet the following specific use standards:

- Property owner shall record an affidavit stating the caretaker dwelling will not be leased, rented, or sold separately.
- Caretaker dwelling shall consist of a minimum habitable floor area of 600 square feet and not to exceed a maximum habitable floor area of 1,200 square feet.
- Shall be subject to the off-street parking requirements Chapter 19.80 of the MKZ.
- Parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.
- Home Businesses with a customer base visiting the caretaker dwelling shall be prohibited

STAFF FINDINGS

Staff is not opposed to caretaker dwelling being located in the Commercial Zones pending some specific use standards apply. In an attempt to distinguish the caretaker dwelling from a live/work unit and control for other possible scenarios that would result in the caretaker dwelling not being used as such.

The following five findings provides the reasoning and justification for staff's recommended specific use standards and caretaker dwelling definition.

- a. Staff finds that requiring an affidavit by the property owner stating that the caretaker dwelling will not be leased, rented, or sold separately will avoid the caretaker dwelling from just being another residential unit or being used outside of the intent for a caretaker dwelling.
- b. Staff finds that applying a size constraint would restrict any unnecessary or obnoxious dwelling and floor plans that could possibly be used for other uses outside of being a caretaker.
- c. Staff finds that an eight-hundred (800) square foot floor plan would adequately satisfy the ability to have a housekeeping establishment with separate toilets and facilities for cooking and sleeping. **(Staff realizes that the caretaker dwelling may be occupied by a family, therefore adjusting the language in the definition regarding one caretaker).**
- d. Although minimal, staff finds that the caretaker dwelling would have an impact on the project in terms of parking and will need to be adequately parked and therefore should meet the minimum requirements of the Off-Street Parking Code Section 19.80 of the Millcreek Code. In addition, staff finds that the parking spaces required for the caretaker dwelling should not be eligible to be included in any requested parking reduction. Staff's reason is for this is similar to how the off street parking code refers to ADA parking spaces for multi-family residential developments and that the required caretaker spaces shall be provided in addition to the number of stalls required for the development.
- e. Staff finds that the ability to operate a home business with a customer base visiting the caretaker dwelling would put an unnecessary impact on the development and fall outside of the primary purpose of the caretaker use.

Staff research also included verifying how other adjacent municipalities treated caretaker dwellings. Below is a matrix describing each municipalities position on caretaker dwellings.

CARETAKER DWELLING COMPARABLES BY CITY

	MURRAY	SOUTH SALT LAKE CITY	SALT LAKE CITY	MIDVALE	SANDY	TAYLORSVILLE	WEST VALLEY
	NO	YES	YES	NO	YES	YES	YES
CARETAKER DWELLING DESCRIPTION	DOES NOT DEFINE OR ADDRESS CARETAKER DWELLINGS	SOUTH SALT LAKE CITY ALLOWS FOR ACCESSORY CARETAKER FACILITIES FOR FUNERAL HOME/MORTUARY USES. <u>NO DEFINITION</u> FUNERAL HOMES AND MORTUARIES ARE A CONDITIONAL USE IN THEIR COMMERCIAL DISTRICT	SALT LAKE CITY ALLOWS FOR LIVING QUARTERS FOR CARETAKER OR SECURITY GUARDS. DEFINITION: "A residence, secondary and accessory to a principle use for persons employed principally on-site for purposes of care and protection of persons, property, plants, animals, equipment, or other circumstances on-site or on contiguous lots under the same ownership" PERMITTED IN THEIR MANUFACTURING, COMMERCIAL AND TRANSIT AREA DISTRICTS LIMITED TO USES ON LOTS 1 ACRE IN SIZE OR LARGER AND ACCESSORY TO A PRINCIPLE USE ALLOWED BY THE ZONE	DOES NOT DEFINE OR ADDRESS CARETAKER DWELLINGS	SANDY CITY ALLOWS FOR A CARETAKER RESIDENCE WHEN OPERATING A STORAGE UNIT AND AS AN OPTION FOR THE FARMER'S MARKET DEFINITION: "occupants of [caretaker] dwellings shall be limited to the owners or employees of the on-site business" PRIMARILY PERMITTED IN THEIR COMMERCIAL ZONES. A CONDITIONAL USE WITH SOME LOCATION RESTRICTIONS IN NON-RESIDENTIAL ZONES. ALLOWED FOR LONG-TERM FARMERS MARKETS	SANDY CITY ALLOWS FOR A CARETAKER RESIDENCE WHEN OPERATING A STORAGE UNIT <u>NO DEFINITION</u> PERMITTED IN THEIR MANUFACTURING AND COMMERCIAL ZONES	WEST VALLEY CITY ALLOWS FOR A CARETAKER DWELLING WHEN OPERATING A STORAGE UNIT AND AS AN OPTION FOR THE FARMER'S MARKET DEFINITION: "Caretaker Dwelling means a dwelling unit for the caretaker of an otherwise non-residential building that is completely contained within the non-residential building. No caretaker's dwelling shall be rented, leased, or otherwise hired out. At least one occupant of a caretaker's dwelling shall be employed by the business and shall have on-site responsibilities". PERMITTED IN THEIR COMMERCIAL ZONES PRIMARILY

COMMUNITY COUNCIL INPUT

In November, the Community Councils were given the opportunity to review the proposed changes and definition and encouraged to make comment and include concerns and thoughts. The **Mount Olympus Community Council**, **Canyon Rim Citizens Association**, **East Mill Creek Community Council** and the **Millcreek Community Council** recommended the proposed changes and definition be adopted with a few minor adjustments per the discussion during their meeting.

- All Community Councils felt as though the caretaker dwelling floor area could be increased but that a minimum and maximum floor area should be included in the standards.
- All Community Councils agreed that the caretaker dwelling should be subject to the off-street parking requirements Chapter 19.80 of the MKZ and that parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.
- All Community Councils had no concerns about the caretaker dwelling being integrated into the main building.
- East Millcreek Community Council did not want the caretaker dwelling to be detached or in a separate building.
- Canyon Rim Citizens Association discussed the caretaker dwelling being detached and was not necessarily opposed so long as standards were in place similar to a detached ADU.
- Each Community Council discussed the ability to have a home business in a caretakers dwelling and were not opposed to allowing it but wanted the home business to be limited to specific standards and uses. Discussions included limiting the home business to:
 - Businesses with no customer base visiting the caretaker dwelling;
 - Businesses that would have the least amount of impact to surrounding uses; and
 - Home businesses limited to office uses that only require internet and phone.

PLANNING COMMISSION RECOMMENDATION

At their regularly scheduled meeting on 17 November 2021, the Millcreek Planning Commission held a public hearing regarding this ordinance amendments. Planning Commission and staff engaged in a discussion regarding caretaker dwellings in the commercial zones. Staffs outstanding staff report and well-designed presentation set the table for a meaningful conversation where each Commissioner was able to ask questions, express concerns, and provide valuable feedback. This would have been impossible had staff not crafted a remarkable presentation. The simple notion of allowing a caretaker dwelling as a permitted use in the commercial zones did not stir up any initial concerns based on just principle. However, through expressive dialog and conversation between the commissioner's and staff, some common ground and standards were extracted and noted by staff. Below are some bullet points listing the items commissioners found common ground on.

- Home businesses with no customer base visiting the caretaker dwelling
- Shall be subject to the off-street parking requirements of Chapter 19.80 of the MKZ
- Caretaker dwelling size range from minimum 600 sf to a maximum of 1,500 sf
- Caretaker dwelling preferably being internal/attached but not opposed to having a detached option with the right standards in place

The Millcreek Planning Commission voted unanimously (8-0) to recommend approval of the proposed ordinance ZT-21-008, emphasizing the following minimum standards be applied.

- Home businesses with no customer base
- Caretaker dwelling size range from minimum 600 sf to a maximum of 1,500 sf
- Caretaker dwelling being internal/attached

STAFF RECOMMENDATION

Staff is recommending approval to the City Council on the ordinance changes proposed by staff in file ZT-21-008, based on staff's findings.

The following three ordinance changes are being proposed.

1. Allowing the use of a Caretaker dwelling with standards as a permitted use in the commercial zones.
 - a. **Property owner shall record an affidavit stating the caretaker dwelling will not be leased, rented, or sold separately.**
 - b. **Caretaker dwelling shall consist of a minimum habitable floor area of 600 square feet and not to exceed a maximum habitable floor area of 1,200 square feet.**
 - c. **Shall be subject to the off-street parking requirements Chapter 19.80 of the MKZ.**
 - d. **Parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.**
 - e. **Home Businesses with a customer base visiting the caretaker dwelling shall be prohibited**
2. Adoption of Caretaker Dwelling definition proposed by staff.
Dwelling, Caretaker: means no more than one dwelling unit that is under common ownership and is attached or internal to the main building and its commercial use and is used for the accommodation of an employee, business owner and person under contract of the commercial use and main building for security or maintenance purposes.
3. Amend the permitted and conditional use section 19.66.020 of the Light Manufacturing "M" Zone so that the permitted use "Caretaker residence" reads "Caretaker dwelling" and is subject to proposed standards.

SUPPORTING DOCUMENTS

1. Planning Commission meeting minutes
2. Caretaker dwelling comparable by city matrix
3. Draft Text Change Ordinance

SEE PAGE 5 FOR CARETAKER DWELLING ITEM 1.2



Minutes of the Millcreek Planning Commission November 17, 2021 5:00 p.m. Regular Meeting

The Planning Commission of Millcreek, Utah, met in a regular public meeting on Wednesday, November 17, 2021 at City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106. The meeting was conducted electronically and live streamed via the City's website with an option for online public comment.

PRESENT:

Commissioners

Shawn LaMar, Chair
Victoria Reid, Vice Chair
David Allen (electronic)
Scott Claerhout (electronic)
Skye Sieber (electronic)
Tom Stephens (electronic, left at 7:15pm)
Ian Wright (electronic)
Christian Larsen
Aryel Cianflone (absent)

City Staff

John Brems, City Attorney
Elyse Sullivan, City Recorder
Francis Lilly, Planning and Zoning Director
Robert May, Planner
Kurt Hansen, Facilities Director
Fred Lutze, Deputy City Engineer (electronic)
Jen Smith, Staff Engineer (electronic)
Brad Sanderson, Current Planning Manager
Carlos Estudillo, Planning Permit Tech.
(electronic)

Attendees: Bruce Baird (electronic), Scot Clark (electronic), Christopher Bender (electronic), Dr. Joseph Henderson (electronic), Todd Gardner (electronic), Damian Mora, Paul Gardner, Tyler Morris, Jacob Alstead, and Dave Croft

REGULAR MEETING – 5:00 p.m.

TIME COMMENCED: 5:14 p.m.

Chair LaMar called the meeting to order and read a statement explaining the duties of the Planning Commission.

1. Public Hearings

2.1 Consideration of CU-21-012/SD-21-005, Request for a 24-Unit Residential Townhome Development in the R-M Zone Location: 4120 S. Highland Drive Applicant: Garbett Homes Planner: Naba Faizi

Brad Sanderson said the applicant was requesting preliminary approval for a conditional use permit and a planned unit development of 24-unit residential townhomes located at 4120 S. Highland Drive. Two applications were previously made for this property, both received preliminary approval from the Planning Commission under file no. CU-19-011 (38 units) in 2019 and SD-21-006 (12 units) in 2020 but the applicant(s) did not move forward with those

applications. The proposed 24-unit townhomes (4-plex, 5-plex, 7-plex, and 8-plex) would consist of 13 two-bedroom units, 2 two-bedroom units, and 9 three-bedroom units and each would have a 2-car parking space. The property is surrounded by C-2 and R-1-8 zoning. The proposed road and parking would be private. He noted the north access and parking was shared with the adjacent property, and that a fault line runs along the property which dictated the site plan. He showed the Commission the site plan, renderings, and building elevations. The building has 35-foot maximum height. Staff received public comment about the fault line, but the project would not be built on the fault line and would have to stay within the buildable area with a 20-foot setback. The fault line runs through the proposed parking and open space. The Millcreek Community Council, at their meeting on November 2, 2021, recommended approval of the application with the following conditions, the fence to the west be installed at 8 feet with a variance, and that the concern that the property owner to the north has about shared parking be resolved amongst both property owners.

Chair LaMar asked if a fence height greater than 6 feet required a variance. Sanderson said it needed a permit over 6 feet and a variance for the type due to its proximity to the canal.

Damian Mora, Garbett Homes, said Garbett Homes builds energy efficient homes. The homes would be all electric. He said the project was in the proximity of a piped canal that needed to be re-piped. Garbett would re-pipe it and remove evasive vegetation in the area. The variance for fencing would be to remove the heavy fence requirements so as to be able to maintain the canal. The neighbors to the west requested an 8-foot fence along the western property line, but Garbett did not feel an 8-foot fence was in the best interest of the development. The developers would be raising the property's grade by a foot and providing an additional two feet in the setback. He noted the intent was to install 6-foot vinyl fencing along all the west and north property boundaries, not along Highland Drive or Winder Lane.

Commissioner Claerhout asked if solar panels would be installed. Mora said it would be prewired and pre-engineered for them, but it had not yet been determined if they would be added. Commissioner Claerhout strongly suggested included solar panels.

Chair LaMar asked about the shared parking to the north in place. Mora said there was a shared parking access with the property to the north. Each property will provide up to 22 stalls for each to use during certain times of the day.

Commissioner Reid asked about the historic monument for the Old Meeting House. Mora said the details had not been worked out yet. Commissioner Reid asked if specificity could be defined by the Commission. Francis Lilly said the Millcreek Historic Preservation Committee (not yet formed) should review it. He felt by the time the monument was installed at the end of the construction, the Commission would be set up and could review it. Commissioner Reid asked if the applicant would be okay with the historic monument being reviewed and recommended for approval by the Millcreek Historic Preservation Committee. Mora said yes, as long as the Committee was established, and it did not hold up any entitlements. He asked for other models used in the city. Lilly said Gardner's Saw Mill was nearby. He said the review and approval of the monument would happen before the City issued the certificate of occupancy or released the bond. The Committee would be a recommending body and the city would have the final say. He said he would work with the developer in a collaborative process.

Chair LaMar asked about working with the property owner to the north because the property was 5 parking stalls short per the 22-stall shared agreement. Jacob Alstead, Garbett Homes, said the agreement says their site can use the shared parking after 6 p.m. and the office gets the parking from 8 a.m. to 6 p.m. Commissioner Wright said a simple solution to the historic plaque was getting input from the State Historic Preservation Office.

Sanderson brought up that the community council requested the developer include an emergency cache on site due to the site being on the fault line. Lilly said there was not a standard for this, he did not know how it would be maintained and did not recommend one. Dave Croft, site property owner, said one council member suggested the cache but the rest of the council did not think it would be good placement for a cache because of the location to the fault line.

Chair LaMar asked for clarification on the variance issue. Lilly said the code allows for a vinyl fence. If the applicant does something other than a solid precast fence, there has to be posts on 12-foot centers. A section of the property boundary shares an easement with an irrigation line, and they do not like footings in the way of their line. The variance would go to the Land Use Hearing Officer as a separate application.

Chair LaMar opened the public hearing.

Chair LaMar read a comment received online via the website from Philip Whelan, 4111 S. 1615 E. *"A storm drain is planned in the north west corner of the property being discussed. I am very concerned about drainage if that was to become clogged at any point. There is probably an 8ft elevation change between the residential properties to the west and the discussed property. I want to make the point that drainage is a serious concern here."*

Lilly said the grading and drainage plan would certify that storm water is detained on site or percolating into the storm water system at a particular rate which is certified by a stormwater engineer. Jen Smith, Staff Engineer, said the developer has planned a storm drain system for the site that will include drainage throughout. They would be using storm drainpipes and inlets.

Scot Clark, 4165 S. 1610 E., submitted a comment online via the electronic meeting. *"Has there been any kind of study, e.g. a street section, that has been done for the southernmost unit relative to Winder Lane and the homes across from it? Concern for the height proportion relative to the horizontal space off the street. I should clarify, the 3-story height unit appears to be right on the southern setback and looks like it may appear pretty looming, especially since it is immediately across from single-family homes."* Sanderson said the grading needs to stay within certain limits.

Chair LaMar closed the public hearing.

Commissioner Larsen asked about the fencing on a different project to the north. Robert May said the pillars and fence would be six feet tall on the Nathan Anderson project. Commissioner Larsen did not think a 6-foot versus an 8-foot fence would be much of a difference considering the height of the building. Commissioner Wright did not think an 8-

foot fence was necessary. Chair LaMar did not understand why the developer could not follow fencing code on the north side of the property. He said he was satisfied with the parking. Commissioner Reid noted the historic plaque and plaza needed to be figured out sooner than later. Lilly could not contemplate an absolute dimension of the plaza. Commissioner Reid pointed out the PowerPoint looked like the plaza was a significant size. Lilly said he would figure it out, but the original plan showed the plaza on the southeast corner. Sanderson pointed out that the historic monument should not be conditioned since it did not create a mitigation to a detrimental effect though the developer was amenable to review by the Historic Committee. Sanderson suggested that the plaza could be anywhere along the public right-of-way. Commissioner Wright said including the monument was important.

Chair LaMar reviewed items for the Commission to make a motion on. The monument to be approved by the Historic Preservation Committee or Francis Lilly in case they are not functioning at the time of approval and placed along the right-of-way, approval for vinyl fencing along the western property line to accommodate access to the canal, and any other fencing not along the canal would need to comply with code. Lilly said the variance to the fencing would only apply to the area with the hardship. Commissioner Claerhout asked if the developer could include solar panels. Commissioner Larsen and Sieber said requiring solar panels would be too onerous.

Commissioner Stephens, as respects to CU-21-012/SD-21-005, moved to grant preliminary approval of the proposed 24 townhomes conditional use and planned unit subdivision with the following conditions as outlined in the staff report and in addition based on the conversation this evening, that as respects the historical plaque that Francis Lilly or the Historic Preservation Committee will offer a recommendation prior to its installation and the other condition is that the shared parking agreement between the two property owners is adequately resolved. Commissioner Larsen seconded. Commissioner Reid offered a friendly amendment that the historic plaza be located along the public right-of-way. Commissioner Stephens accepted the friendly amendment as respect to location of the plaque. Commissioner Larsen seconded the friendly amendment.

The conditions in the staff report were:

- 1. The proposed subdivision plat must complete a final technical review that includes an engineering review to ensure that the final plat complies with all conditions of approval of the preliminary plat and to ensure that the final plat complies with the design standards, codes, and ordinances and with minimum engineering/surveying requirements, including any bonding for possible future improvements.*
- 2. All requirements found in Title 18 (Millcreek Subdivision Code) shall be met, including all applicable fees and bonding, including addressing and surveying fees.*
- 3. All accrued final technical review fees must be paid in full prior to recordation.*
- 4. The applicant shall obtain a complete review for an approved building permit and shall continually comply with the requirements of Millcreek City, Salt Lake City Department of Public Utilities, and all Utility Companies related to this project.*
- 5. The design of the site and buildings shall comply with all applicable development standards of the Millcreek Zoning Code and any site development standards required by the Millcreek Engineer and Building Official, and Unified Fire Authority.*
- 6. The develop shall meet all requirements of Low Impact Development (LID) approach. This approach includes long-term stormwater BMPS that allow stormwater to infiltrate, evapotranspiration or harvest and reduces runoff from the site and protects water quality (MS4*

permit 4.2.5.1.3). If a LID approach is infeasible, an alternative rationale must be provided and documented showing that infiltration, evapotranspiration, and harvesting methods were used to the maximum extent feasible. Reasons for infeasibility may include the following: high ground water, drinking water source protection areas, soil conditions, slopes, accessibility, excessive costs, or others (MS4 permit 4.2.5.1.5).

- 7. Prior to receiving final plat approval, the applicant shall certify that existing utility services have the capacity to accommodate additional demand induced by the development, or that the services will be upgraded to meet the additional demand.*
- 8. Applicant will need to apply for a variance for fence and must comply with all requirements from 19.95 fencing code.*
- 9. Applicant will provide a historic plaque and plaza commemorating the Old Meeting House.*
- 10. Applicant must make best effort to address and discuss concerns with property owner to the north regarding shared parking concerns.*
- 11. Applicant must comply with 19.77 Landscaping standards.*
- 12. Applicant will comply with all the requirements of the City's Geologic Hazards Ordinance, if found applicable.*
- 13. No light source (light bulb, fluorescent tube, or other direct source of light used to illuminate a parking area) shall be visible beyond the property line of any off-street parking area as required by Section 19.80.030 of the zoning ordinance.*
- 14. The applicant will comply with all requirements established through the subdivision technical review process prior to receiving final plat approval.*
- 15. All required improvements must be installed or 100% bonded for and enter into an approved bond agreement with Millcreek prior to recordation.*
- 16. The applicant will comply with all requirements of the Unified Fire Code, subject to approval by the Fire Marshal.*
- 17. All items of the Staff Report.*

Chair LaMar called for the vote. All Commissioners present voted yes. The motion passed unanimously.

1.2 Consideration of ZT-21-008, Request for "Caretaker Dwelling" as a Permitted Use Within C-2 Zones Applicant: Bruce Baird Planner: Robert May

Robert May said this text change would be for all commercial zones, not just C-2. He said the applicant was petitioning the City Council with a text amendment that would permit the use of a "caretaker dwelling" in the commercial zones Chapter 19.60 of the Millcreek Code. The text amendment would enable the property owner to have and maintain a caretaker dwelling for the purposes of security and maintenance. The proposal would be limited to a single dwelling that would be integrated into the commercial building. The dwelling would be under the same ownership as the property and could only be used by an employee (could also be the owner) of the commercial building. He showed the Commission a map indicating the commercial zones in the city and a map of the Light Manufacturing Zone that permits a caretaker's residence. The applicant's proposed definition of a caretaker dwelling was, "Caretaker dwelling means a single Dwelling Unit that is under common ownership with and integrated into a commercial building and is used by an employee of the commercial building for security or maintenance purposes." Staff's proposed definition was, "Caretaker dwelling means no more than one dwelling unit that is under common ownership and is attached or internal to the main building and its commercial and is used for the accommodation of an employee, business owner and person under contract of the commercial use and main building for security or maintenance purposes."

May said a caretaker dwelling would be a permitted use so applications would not come to the Planning Commission. A caretaker dwelling would meet the following specific use standards:

- a. Property owner shall record an affidavit stating the caretaker dwelling will not be leased, rented, or sold separately.
- b. Caretaker dwelling shall consist of a minimum habitable floor area of 800 square feet and not to exceed a maximum habitable floor area of 1,200 square feet.
- c. Shall be subject to the off-street parking requirements Chapter 19.80 of the MKZ.
- d. Parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.
- e. Home Businesses shall be prohibited

May showed a table identifying how other cities compare with caretaker dwellings. He said all the community councils felt as though the caretaker dwelling floor area could be increased but that a minimum and maximum floor area should be included in the standards, that the caretaker dwelling should be subject to the off-street parking requirements, and that parking spaces for a caretaker dwelling could not be included in any parking reduction request including shared parking, and there were no concerns about the caretaker dwelling being integrated into the main building. May wanted to have guardrails for adequate housing facilities and felt 800 square feet of living space was adequate but all the community councils felt that it should be greater. Each community council discussed the ability to have a home business in a caretaker's dwelling and were not opposed to allowing it but wanted the home business to be limited to specific standards and uses. Discussions included limiting the home business to businesses with no customer base, businesses that would have the least amount of impact to surrounding uses, and home businesses limited to office uses that only required internet and phone.

May recommended approval of the ordinance changes but noted that in an attempt to avoid confusion and remain consistent, staff suggested that changes be made to the Light Manufacturing Zone Chapter 19.66 of the Millcreek Code under the permitted and conditional uses section 19.66.020 Table 19.66-1 so that the permitted use "caretaker residence" was amended to conform with specific use standards proposed by staff.

Bruce Baird, applicant, said his friend approached him about being able to live in his business so as to afford being in Millcreek. He said the City Council and the community councils were in favor of the proposal. He suggested the Commission considering a larger unit as a maximum, such as 1500 square feet. He did not feel it would be a problem as long as the use was ancillary.

Chair LaMar opened the public hearing.

There was no comment.

Chair LaMar closed the public hearing.

Chair LaMar asked if there was a definition of home business. May said there was not a definition but a chapter with standards in code. Commissioner Larsen agreed with excluding home businesses that had a customer base and did not support increasing a minimum size

from 800 square feet but agreed with the 1,500 square foot maximum size. Commissioner Reid agreed with Commissioner Larsen and asked if detached caretaker dwellings should be allowed. May said it was discussed with the Canyon Rim Citizens Association. The standards would be limited to standards of an accessory dwelling. Chair LaMar asked about process for establishing a caretaker dwelling. May said it would be tracked through a building permit or business license. Chair LaMar brought up the minimum square footage consideration and allowing flexibility. May noted that parking for a home business may interfere with the mixed-use/commercial parking. Chair LaMar suggested allowing home businesses without a customer base. Commissioner Claerhout recommended an internal caretaker dwelling size of 500-1,000 square feet that allowed home businesses without a customer base. Commissioner Stephens noted that customer-based applied to all businesses, but the Commission should distinguish not allowing on-premises customers. He recommended avoiding a detached dwelling and suggested a size range of 500-1,200 square feet. Commissioner Sieber said the primary purpose of the caretaker dwelling was to provide a service to the primary use and advocated keeping it simple, internal, and not allowing home businesses. She brought up pets being a nuisance. Commissioner Reid saw the home business being for the benefit of a spouse. Commissioners Reid, Larsen, and Stephens were okay with a 1,500 square footage maximum. Commissioner Stephens said prohibiting home businesses would be hard to regulate.

Chair LaMar, for application ZT-21-008, moved to grant a favorable recommendation to the City Council based on the changes in the staff report with a few edits: a home business will not have any on-premises customers, that the caretaker dwelling would be an internal or attached dwelling, not a detached, the minimum-maximum would be changed from 800 to 600 (square feet) on the minimum and 1,200 to 1,500 (square feet) on the maximum, and to make it consistent with the language in the M Zone for uniformity. Commissioner Reid seconded. Chair LaMar called for the vote. All Commissioners present voted yes. The motion passed unanimously.

The Commission took a break from 7:15-7:22 p.m.

2. Continuing Business

2.1 Consideration of CU-21-018, Request for a Conditional Use Permit for a Mixed-Use Development with 7,735 Square Feet of Commercial Space and 226 Residential Units

Location: 3300 S. 1306 E. Applicant: Cottonwood Residential Planner: Robert May

Robert May said the Commission reviewed the application at the last meeting but continued it due to needing a revised parking/traffic study by Fehr & Peers. The project and proposed building, "The Hudson," would be located at the southeast corner of 1300 East and 3300 South. The project would be located in the C-2 Zone, City Center Overlay Zone (CCOZ), and Market Place District which allows a building height of 40-75 feet. He said staff uses a CCOZ code compliance matrix to ensure proposed projects meet code. He said staff wanted to look at projects in relation to others in the area, so they put together a City Center development review summary table. He noted there would be a CCOZ summary checklist in the staff report for the Commission's, applicant's, and staff's benefit on projects in the City Center. May showed the Commission the proposed site plan, landscape plan, and a graphic measuring the height of the building which is capped at 75 feet measured from existing grade. He showed the Commission the lot coverage percentages, shared parking matrix, building elevations, open space breakdown, plaza space breakdown, and building areas and

CARETAKER DWELLING COMPARABLES BY CITY

CARETAKER DWELLING DESCRIPTION	MURRAY	SOUTH SALT LAKE CITY	SALT LAKE CITY	MIDVALE	SANDY	TAYLORSVILLE	WEST VALLEY
	NO	YES	YES	NO	YES	YES	YES
	DOES NOT DEFINE OR ADDRESS CARETAKER DWELLINGS	SOUTH SALT LAKE CITY ALLOWS FOR ACCESSORY CARETAKER FACILITIES FOR FUNERAL HOME/MORTUARY USES.	SALT LAKE CITY ALLOWS FOR LIVING QUARTERS FOR CARETAKER OR SECURITY GUARDS.	DOES NOT DEFINE OR ADDRESS CARETAKER DWELLINGS	SANDY CITY ALLOWS FOR A CARETAKER RESIDENCE WHEN OPERATING A STORAGE UNIT AND AS AN OPTION FOR THE FARMER'S MARKET	SANDY CITY ALLOWS FOR A CARETAKER RESIDENCE WHEN OPERATING A STORAGE UNIT	WEST VALLEY CITY ALLOWS FOR A CARETAKER DWELLING WHEN OPERATING A STORAGE UNIT AND AS AN OPTION FOR THE FARMER'S MARKET
		<u>NO DEFINITION</u>	DEFINITION: "A residence, secondary and accessory to a principle use for persons employed principally on-site for purposes of care and protection of persons, property, plants, animals, equipment, or other circumstances on-site or on contiguous lots under the same ownership"		DEFINITION: "occupants of [caretaker] dwellings shall be limited to the owners or employees of the on-site business"	<u>NO DEFINITION</u>	DEFINITION: "Caretaker Dwelling means a dwelling unit for the caretaker of an otherwise non-residential building that is completely contained within the non-residential building. No caretaker's dwelling shall be rented, leased, or otherwise hired out. At least one occupant of a caretaker's dwelling shall be employed by the business and shall have on-site responsibilities".
		FUNERAL HOMES AND MORTUARIES ARE A CONDITIONAL USE IN THEIR COMMERCIAL DISTRICT	PERMITTED IN THEIR MANUFACTURING, COMMERCIAL AND TRANSIT AREA DISTRICTS LIMITED TO USES ON LOTS 1 ACRE IN SIZE OR LARGER AND ACCESSORY TO A PRINCIPLE USE ALLOWED BY THE ZONE		PRIMARILY PERMITTED IN THEIR COMMERCIAL ZONES. A CONDITIONAL USE WITH SOME LOCATION RESTRICTIONS IN NON-RESIDENTIAL ZONES. ALLOWED FOR LONG-TERM FARMERS MARKETS	PERMITTED IN THEIR MANUFACTURING AND COMMERCIAL ZONES	PERMITTED IN THEIR COMMERCIAL ZONES PRIMARILY

MILLCREEK, UTAH
ORDINANCE NO.21-

**AN ORDINANCE AMENDING SECTIONS 19.60.020 AND 19.66.020 OF THE
MILLCREEK CODE FOR THE PURPOSE OF ALLOWING CARETAKER
DWELLINGS AS PERMITTED USES SUBJECT TO STANDARDS AND ADOPTING A
NEW DEFINITION OF CARETAKER DWELLING IN CHAPTER 19.04 OF THE
MILLCREEK CODE**

WHEREAS, the Millcreek Council (“Council”) met in regular session on December 13, 2021, to consider among other things, approving an ordinance amending Section 19.60.020 of the Commercial Zones of the Millcreek Code to include a Caretaker Dwelling as a permitted use and adopting a new definition of a Caretaker Dwelling in Chapter 19.04 of the Millcreek Code; and

WHEREAS, Utah Code Ann. § 10-9a-503 provides in part that the Council may amend any regulations of a zoning district; and

WHEREAS, Millcreek (“City”) has adopted a comprehensive zoning ordinance (“Zoning Ordinance”); and

WHEREAS, City staff, City consultants, and other persons have recommended that the Council revise the Zoning Ordinance with respect to technical corrections regarding definitions, noticing, and Planning Commission membership; and

WHEREAS, Utah Code Ann. § 10-9a-502 provides Planning Commission shall provide notice as required by Subsection 10-9a-205(1)(a) and, if applicable, Subsection 10-9a-205(4) and hold a public hearing on the proposed land use ordinances; and

WHEREAS, on November 1, 2021, the required notice was published; and

WHEREAS, on November 17, 2021, the proposed amendments were submitted to the Planning Commission for its recommendation; and

WHEREAS, on November 17, 2021, the Planning Commission held the required public hearing with respect to amending and adopting various sections of Title 19 of the Millcreek Code of Ordinances; and

WHEREAS, at the November 17, 2021, Planning Commission meeting the Millcreek Planning Commission recommended amending and adopting various sections of Title 19 of the Millcreek Code of Ordinances; and

WHEREAS, the Millcreek Code of Ordinances, provides among other things, that before finally adopting any such text change, the Council shall consider the application during a public meeting which has been properly noticed in compliance with the provisions of Title 52, Chapter 4, of the Open and Public Meetings Act; and

WHEREAS, on _____, 2021, the Council caused the required notice to be given; and

WHEREAS, on December 13, 2021, the Council considered amending and adopting various sections of Title 19 of the Millcreek Code of Ordinances; and

NOW THEREFORE, BE IT ORDAINED by the Council that Title 19 of the Millcreek Code of Ordinances be amended as attached (designated by interlineating the words to be deleted and underlining the words to be added).

This Ordinance assigned Ordinance No. 21-__, shall take effect as soon as it shall be published or posted as required by law, deposited, and recorded in the office of the City Recorder, and accepted as required herein.

PASSED AND APPROVED this ____ day of ____, 2021.

MILLCREEK

By: _____
Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

CERTIFICATE OF POSTING

I, the duly appointed recorder for Millcreek, hereby certify that:
ORDINANCE 21-XX: SAME TITLE AS ABOVE
was passed and adopted the ____ day of December 2021 and certifies that copies of the foregoing Ordinance 21-XX were posted in the following locations within the municipality this ____ day of ____, 2021.

1. Millcreek City Office, 3330 S. 1300 E., Millcreek, UT 84106
2. Millcreek Community Center, 2266 E. Evergreen Ave., Millcreek, UT 84109
3. Calvin S. Smith Library, 810 E. 3300 S., Millcreek, UT 84106

Elyse Sullivan, City Recorder

19.60.020 Permitted And Conditional Uses

- A.** Due to the greater potential for detrimental effects, permitted uses in the C-1, C-2 and C-3 zones over one acre in size shall follow the conditional use procedure in MKZ 19.84.
- B.** Table 19.60-1: Commercial Zoning Districts Permitted and Conditional Uses lists permitted and conditional uses for the commercial zoning districts. "P" indicates that a use is permitted within that zoning district. "C" indicates that a use is a conditional use in that zoning district and a conditional use permit shall be obtained as required in MKZ 19.84. No letter (i.e., a blank space), or the absence of the use from the table, indicates that use is not a permitted use nor a conditional use within that zoning district. Uses may be subject to additional restrictions and limitations found in MKZ 19.60.030 PROHIBITED USES, LIMITATIONS.

TABLE 19.60-1

USES	C-1	C-2	C-3	SPECIFIC USE STANDARDS
Indoor or outdoor archery range		C	C	
Residential facility for the elderly or persons with a disability, assisted care facility nursing facility	P	P	P	
Hotel, Bed & Breakfast		C	C	No Hotels are allowed in the C-1 zone. Hotels must be located on development sites with at least 100 feet of frontage along a major collector, minor arterial, or other principal arterial road as identified in the Roadway Functional Classification Map of the Millcreek Transportation Master Plan.
Public, quasi-public use, and Civic uses	P	P	P	Not including private schools
Transit Station		P	P	
Hospital and all other medical, dental facilities		P	P	
School, public, charter, private	P	P	P	
Neighborhood Retail	P	P	P	No commercial building over 20,000 square feet is allowed in the C-1 zone. In addition, no business in the C-1 zone shall occupy a space greater than 5000 square feet.
General Retail and Entertainment		C	C	See table 19.60-2 for additional limitations
Retail Food Trucks, Farmers Market including vegetable stands	C	C	C	As an accessory use on private property and not within a front or side yard setback. On-street locations may be allowed on a non-UDOT street in a C-2 and C-3 zone.
Drive up uses with outside order windows or structures, such as restaurants, banks, etc.		C	C	No order window or structure is allowed within 150' of a residential use. Speakers to be oriented away from adjacent uses.
Neighborhood Service	P	P	P	See definition
General Service	P	P	P	See definition
Vehicle Service and repair		C	P	
Office	P	P	P	
Mixed Use (commercial, or office and/or residential use within the same building or located adjacent within a unified site plan)		C	C	Mixed use allowed subject to requirements of this chapter.
Commercial parking lot and/or garage		C	C	Parking garages shall include non-residential uses for at least 75% of the ground floor facing a public street.
Fireworks		C	C	Temporary stands to be located on private property and subject to the Uniform Fire Code
<u>Caretaker dwelling</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>a. Property owner shall record an affidavit stating the caretaker dwelling will not be leased, rented, or sold separately.</u> <u>b. Caretaker dwelling shall consist of a minimum habitable floor area of 600 square feet and not to exceed a maximum habitable floor area of 1,200 square feet.</u> <u>c. Shall be subject to the off-street parking requirements Chapter 19.80 of the MKZ.</u> <u>d. Parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.</u> <u>e. Home Businesses with a customer base visiting the caretaker dwelling shall be prohibited</u>

Chapter 19.04 DEFINITIONS

19.04.181 Dwelling, Caretaker: means no more than one dwelling unit that is under common ownership and is attached or internal to the main building and its commercial and is used for the accommodation of an employee, business owner and person under contract of the commercial use and main building for security or maintenance purposes.

19.66.020 PERMITTED AND CONDITIONAL USES

Table 19.66-1: Manufacturing Zoning District–Permitted and Conditional Uses

“P” indicates that a use is permitted within that zoning district.

“C” indicates that a use is a conditional use within that zoning district and a conditional use permit shall be obtained as required in MKZ 19.84.

No letter (i.e., a blank space), or the absence of a use from the table, indicates that use is not a permitted use nor a conditional use within the zoning district. Uses may be subject to additional restrictions and limitations found in 19.88.030 Prohibited Uses, Limitations.

Table 19.66-1

USES	M	SPECIFIC USE STANDARDS
Light Manufacturing	P	
Warehousing	P	
Commercial		Allowed uses: those permitted and conditional uses in the C-3 Zone as per CHAPTER MKZ 19.32 COMMERCIAL ZONES
Any development that shares a common boundary with a residential use and/or zone	C	Transitions are required as per Table 19.66-3
Outdoor Storage as an accessory to a principle use	P	See section MKZ 19.66.050 A (4)
State Store or Packing Agency	P	
Sexually Oriented Business	C	Subject to Chapter MKZ 19.91
Truck Transfer Company	C	Temporary outside storage of trucks and trailers allowed as defined by MKZ 19.66.050 A (4)
Vehicle and Equipment repair & auto body shops	P	See outdoor storage restrictions in MKZ 19.66.050 A (4)
Accessory uses and buildings customarily incidental to conditional and permitted uses. Accessory use may include outside repair, fabrication, and cleaning of equipment, vehicles, and/or stored products	P	
<u>Caretaker's residents</u> <u>Caretaker dwelling</u>	P	Only as a secondary use to a principle use a. <u>Property owner shall record an affidavit stating the caretaker dwelling will not be leased, rented, or sold separately.</u> b. <u>Caretaker dwelling shall consist of a minimum habitable floor area of 600 square feet and not to exceed a maximum habitable floor area of 1,200 square feet.</u> c. <u>Shall be subject to the off-street parking requirements Chapter 19.80 of the MKZ.</u> d. <u>Parking spaces for caretaker dwelling cannot be included in any parking reduction request including shared parking.</u> e. <u>Home Businesses with a customer base visiting the caretaker dwelling shall be prohibited</u>



Millcreek Planning and Zoning Department

3330 South 1300 East

Millcreek, Utah 84106

Phone: (801) 214-2700

STAFF MEMORANDUM

From: Francis Xavier Lilly, AICP, Planning Director
To: City Council

Meeting Date: 13 December 2021

RE: Approval of a Development Agreement with 33rd and 13th, LLC for a Cash-in-Lieu Substitution for 1,496 Square Feet of Required Open Space for a Mixed Use Development Located at 1306 East 3300 South

Parcel: 16-29-447-014, 16-28-351-048, 16-28-351-09, 16-28-351-052

Location: 1306 East 300 South

Size: 1.76 acres / 76,665 square feet

Applicant: Cottonwood Residential / 33rd and 13th, LLC

File No: CU-21-018

Request

On 17 November 2021, Cottonwood Residential ("Applicant") obtained preliminary conditional use approval for a mixed use multifamily project ("Project") consisting of 226 dwellings and 7,735 square feet of commercial space. A summary of the project can be found [here](#).

The City Council has the authority to approve a cash-in-lieu substitution for required open space in the City Center Overlay Zone ("CCOZ") pursuant to [Millcreek Code §19.73.070 \(R\)](#), if the city finds that a cash-in-lieu substitution is more effective in acquiring open space and park space and improving connections within the City Center. Because the project is across 330 South from Millcreek Common, the applicants are eligible to make a request for a cash-in-lieu substitution. On 4 November 2021, the applicant submitted an application for consideration of a cash-in-lieu substitution. Their request letter is attached as Exhibit A.

The applicant designed their project to meet the minimum overall open space requirement in CCOZ, however there is a shortfall of 1,496 square feet in plaza space. The applicant is seeking to pay Millcreek \$149,600 in lieu of the plaza requirement. The in lieu value was established at \$100 per square foot, and the applicant supplied an appraisal for the property that justifies that value. A site plan showcasing the plaza spaces is attached as Exhibit B. The appraisal is attached as Exhibit C.

If the City accepts the cash-in-lieu substitution, we recommend that the funds should be earmarked toward fulfilling the CCOZ intent to provide safety enhancements to pedestrian connections to Millcreek Common, or to safety enhancements to Millcreek Common itself.



Millcreek Planning and Zoning Department

3330 South 1300 East

Millcreek, Utah 84106

Phone: (801) 214-2700

CCOZ provides that the City Council can approve an in-lieu substitution through a development agreement, upon receiving a recommendation from the Planning Director. My recommendation regarding the applicant's request is attached as Exhibit D.

Findings and Recommendation

Pursuant to Millcreek Code §19.73.070 (R), we reviewed your request for a cash in-lieu substitution and recommend that the City Council approve the cash-in-lieu substitution totaling \$149,600, subject to a development agreement between Cottonwood Residential and Millcreek.

Staff findings for this recommendation are as follows:

1. The project is located at 1306 East 3300 South, and is located across the street from Millcreek Common. It both faces the Common and could benefit from better pedestrian safety connections to the Common, and is therefore eligible for an in-lieu substitution as specified in Millcreek Code.
2. The applicant provided an appraisal dated September 24, 2021 that values the land at \$99.95 per square foot. This land value is consistent with the City's own experiences buying property in the vicinity of the project. The appraisal was written by a certified appraiser and is less than a year old. Therefore, a new appraisal is not required by City Code. Staff finds that the appraised value is a reasonable basis for determining a cash-in-lieu value for the plaza space.
3. Staff finds that acceptance of these funds is "more effective in acquiring open space/park land and improving pedestrian connections within the City Center" than redesigning the project to accommodate an additional 1,496 square feet of plaza space along the Project frontage. A redesign would create some additional open space along the south side of 3300 South, but it would be narrow, due to the geometry of the site, and would add marginal value to the open space in City Center. Enhancements to the pedestrian crossings and/or to the southern edge of Millcreek Common will be a more effective contribution to the City's strategy for quality open space in its City Center.
4. At their public hearing on 15 November 2021, the Planning Commission reviewed the cash-in-lieu application and approved the project as-is, subject to the City Council approving a cash-in-lieu agreement for the remaining open space.

Exhibits

- A. Applicant Letter Requesting a Cash-in-Lieu Substitution
- B. Site Plan
- C. Appraisal
- D. Planning Director's Recommendation

November 8th, 2011

Hudson Multifamily Development - Open Space/Park Cash in-lieu Substitution Request

Francis Lilly,

For your consideration, we would like to submit this formal request for a cash in-lieu substitution to apply to a portion of the Open Space/Park requirement detailed in Section 19.71.070.O of the CCOZ.

The design for our Hudson development on the SE corner of 3300S and 1300E currently meets the overall 20% open space requirement but falls short of the requirement specific to sites over one-acre that 40% of that required open space be in the form of a public plaza. Under this requirement, the 1.66-net acre site requires 5,785sf of public space and we are currently providing 4,289sf in multiple public plazas, leaving a shortfall of 1,496sf.

The CCOZ indicates that an appraisal obtained within the last year may be used to guide valuation and we have an appraisal from Western States Multifamily dated 10/4/21, which valued the entire parcel at \$99.95/sf. That is our proposed valuation metric for the cash in-lieu substitution, as follows; 1,496sf at a value of \$100/sf for a cash payment of \$149,600.

It is our belief that the city's acceptance of this proposal and these funds would better serve to enhance open spaces and pedestrian connections within Millcreek Common than would otherwise be accomplished by additional plaza space on our development project. 3300S acts as a material barrier between any additional public space that we would provide and the Common and would not serve the vast majority of the visitors, whereas cash in-lieu could be applied to projects and features that better enhance the Common for all.

Please advise if there is any additional detail I can provide or if you would like to discuss the matter directly.

Thank you for your consideration.

Tyler Morris | Senior Vice President, Acquisitions



1245 Brickyard Rd Suite 250 | Salt Lake City, UT 84106

Direct: 801.826.4946

www.cottonwoodres.com

**Planning Services**

3330 South 1300 East • Millcreek, Utah 84106

Phone: (801) 214-2750

Millcreek.us**File #**

Land Use & Development Application

Zone: _____ Community Council: _____ Planner: _____

Parent File #: _____ Date: _____

Property Address: 1306 East 3300 South Parcel #: 16294770140000, et alName of Project Hudson Mixed-Use Property Acreage: 1.76

Please describe your request:

Cash In-Lieu substitution for a portion of public open space requirement.

New Development:

- ☐ Conditional Use
- ☐ Permitted Use
- ☐ Subdivision # lots: _____
- ☐ PUD #lots: _____

Modify an Existing Development:

- ☐ Change Conditions of Approval
- ☐ Change the Site Plan
- ☐ Condo Conversion
- ☐ Lot Consolidation
- ☐ Lot Line Adjustment
- ☐ Mobile Store
- ☐ Signs
- ☐ Billboards

Other:

- ☐ Exception Request
- ☐ General Plan Amendment
- ☐ GRAMA (Records Request)
- ☐ Land Use Hearing
- ☐ Non-Conforming
- ☐ RCOZ Appeal (Option C)
- ☐ Research Request
- ☐ Re-zone
- ☐ Right-of-Way Improvement Permit
- ☐ Vacate a Street

Is a key or gate code required to access the property? ☐ Yes ☒ No If yes, code: _____
(or provide driving directions to property):

APPLICANT'S NAME:First: Cottonwood Residential Last: _____ Initial: _____Address: 1245 E Brickyard Ave City: Millcreek State: UT Zip: 84106Phone: 801.826.4946 Cell: 310.866.0443 Email: tmorris@cottonwoodres.com**Property Owner(s):**First: 3300 Cottonwood, LLC Last: _____ Initial: _____Address: 1245 E Brickyard Ave, Ste 250 City: Millcreek State: UT Zip: 84106Phone: 801.826.4946 Cell: 310.866.0443 Email: tmorris@cottonwoodres.com**Professional(s):** ☐ Engineer ☒ Architect ☐ OtherCompany: Dwell Design Contact: Peter JacobsenAddress: 360 W 300 S City: Salt Lake City State: UT Zip: 84101Phone: 385.273.3888 Cell: _____ Email: _____**NOTE: all correspondence will be sent to the applicant's address:*

To facilitate the land use notice and review process, the undersigned hereby authorize the City to reproduce this application and all documents attached to the application for staff, officials, and the interested public:

Applicant's Signature: Tyler MorrisDate 11/8/21

**Planning Services**

3330 South 1300 East, Millcreek, Utah 84106

Phone: (801) 214-2750

Millcreek.usFile # **AFFIDAVIT - Property Owner**

STATE OF UTAH }
 } ss
COUNTY OF SALT LAKE }

I (we) 3300 Cottonwood, LLC being duly sworn, depose and say that

I (we) am (are) the owner(s) of the property(s) located at:

1306 E 3300 S. Millcreek, UT 84106.

My (our) signature below attests that I (we) have reviewed the proposal by Cottonwood Residential
requesting review and approval of a Cash in-lieu substitution request

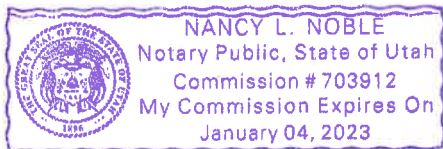
and that I (we) consent to the statements and information provided in the attached plans and exhibits

and that all information presented is true and correct to the best of my (our) knowledge.

Property Owner _____

Property Owner _____

Subscribed and sworn to me this 9th day of November, 2021.



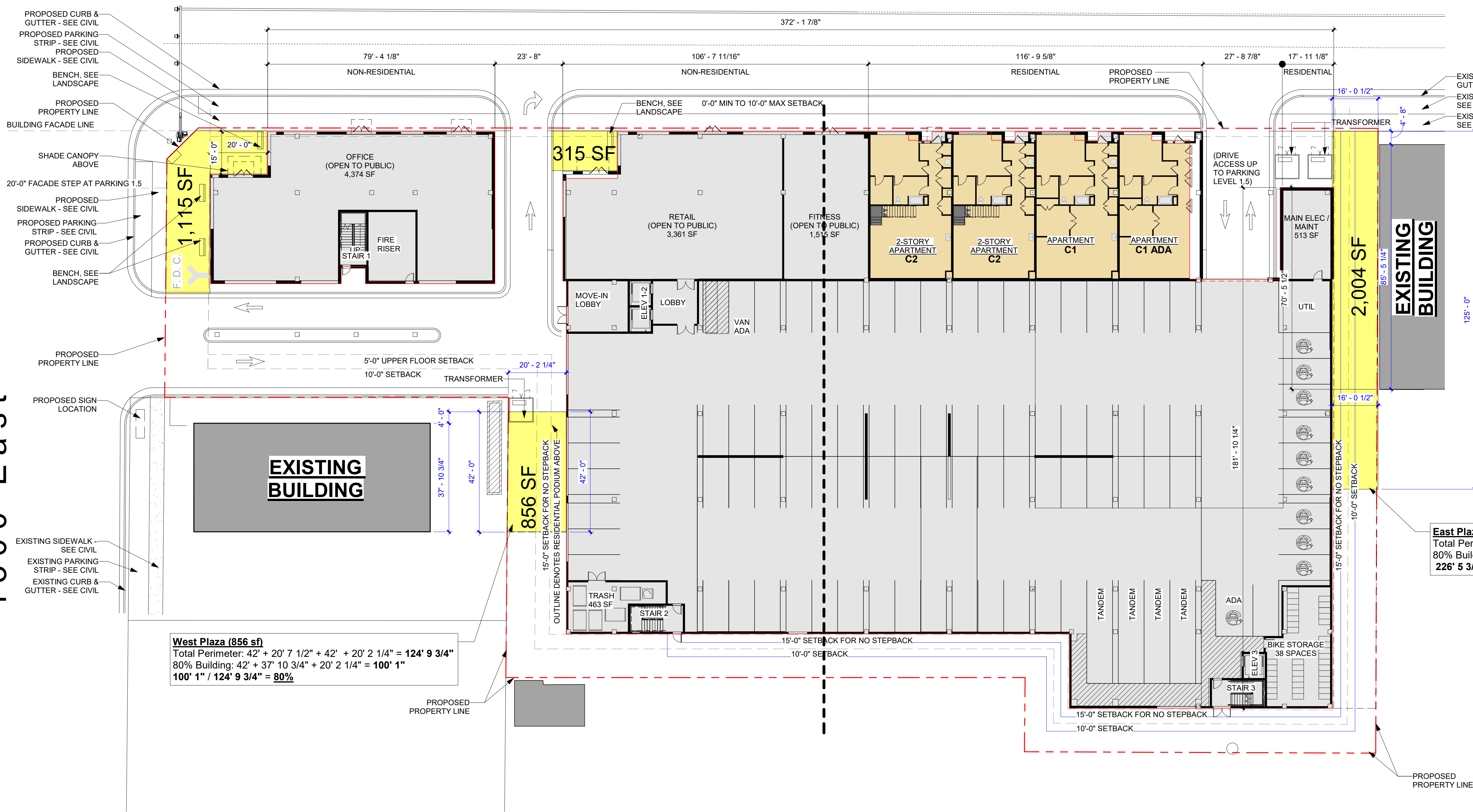
Notary: _____

Residing in Salt Lake County, Utah
Davis County

1300 East

1

ARCHITECTURAL SITE PLAN
1" = 20'-0"



West Plaza (856 sf)
Total Perimeter: $42' + 20' 7 \frac{1}{2}'' + 42' + 20' 2 \frac{1}{4}'' = 124' 9 \frac{3}{4}''$
80% Building: $42' + 37' 10 \frac{3}{4}'' + 20' 2 \frac{1}{4}'' = 100' 1''$
 $100' 1'' / 124' 9 \frac{3}{4}'' = 80\%$

East Plaza (2,004 sf)
Total Perimeter: $16' 1 \frac{1}{2}'' + 125' + 16' 1 \frac{1}{2}'' + 125' = 282' 1''$
80% Building: $16' 1 \frac{1}{2}'' + 125' + 85' 5 \frac{1}{4}'' = 226' 5 \frac{3}{4}''$
 $226' 5 \frac{3}{4}'' / 282' 1'' = 80\%$

BUILDING AREA SUMMARY		BUILDING AREAS								
DATE: 11/10/2021										
Building Level		B2	B1	1	1.5	2	3	4	5	6
Building FFE										
Residential (SF)				5,808	3,336	30,900	32,361	32,361	32,361	31,618
Balcony (SF)						1,890	2,047	2,047	2,047	1,983
Fitness				1,515						
Utility / Trash / Bldg Storage (SF)				976		397	397	397	397	397
Office				4,374						
Retail				3,361						
TOTAL SF PER FLOOR				16,034	3,336	33,187	34,805	34,805	34,805	33,998
TOTAL SF PER BUILDING										190,970

Exterior Amenity (SF)				4,290		10,229				800
				(EXTERIOR PLAZA)		(POOL DECK)				(DRY DECK)
TOTAL SF										15,319

Open Space Break Down
Total Site Area = 72,312 sf
Open Space Requirement = $72,312 \times 20\% = 14,462.4$ sf

Provided Open Space
Amenity Deck/Pool: 10,214 sf
North Plaza: 315 sf
North West Plaza: 1,115 sf
South West Plaza: 856 sf
East Plaza: 2,004 sf
Total: 14,504 sf

Plaza Space Break Down
Total Open Space = 14,462.4 sf
Plaza Space Requirement = $14,462.4 \times 40\% = 5,785$ sf

Provided Plaza Space
North Plaza: 315 sf
North West Plaza: 1,115 sf
South West Plaza: 856 sf
East Plaza: 2,004 sf
Total: 4,290 sf

BUILDING SUMMARY

BUILDING(S) DESCRIPTION:

PROPOSED PROJECT IS A FIVE-STORY MULTI-FAMILY RESIDENTIAL, OVER 2-STORY PARKING STRUCTURE AND AMENITY. ACCESS TO PARKING GARAGE FROM 1300 E. AND 3300 S.

THE RESIDENTIAL COMPONENT OF THE PROJECT WILL CONSIST OF 226 UNITS, WITH A MIX OF STUDIO, 1-BED, AND 2-BED (SEE UNIT MATRIX SUMMARY).

CONSTRUCTION AND OCCUPANCY SUMMARY:

OCCUPANCY TYPE (PER 2018 IBC):
R-2 (RESIDENTIAL APARTMENTS) WITH A-3 SEPARATED OCCUPANCIES
S-2 (PARKING GARAGE)

CONSTRUCTION TYPE (PER 2018 IBC):
LEVELS 1-PARKING 1.5 AND BASEMENTS
IA
LEVELS 2-6
IIIA

Chapter 19.80 Shared Parking Table 19.80.080(a)

GENERAL LAND USE CATEGORY	WEEKDAYS			WEEKENDS		
	12a.m.—7a.m.	7a.m.—6p.m.	6p.m.—12a.m.	12a.m.—7a.m.	7a.m.—6p.m.	6p.m.—12a.m.
Office & Industrial	5%	100%	5%	0%	5%	0%
Retail	5%	100%	80%	5%	100%	60%
Restaurant	50%	70%	100%	70%	50%	100%
Hotel	100%	65%	100%	100%	65%	100%
Residential	100%	50%	80%	100%	75%	75%
Theater/entertainment	5%	20%	100%	5%	50%	100%
Place of worship	0%	30%	50%	0%	100%	75%
USE	Required Parking					
LU 1 Office (12 spaces)	0.6	12	0.6	0	0.6	0
LU 2 Retail (9 spaces)	0.45	9	7.2	0.45	9	5.4
LU 3 Residential (395 spaces)	395	197	315.2	394	295.5	295.5
Total	395.05	218	323	394.45	305.1	300.9

PARKING SUMMARY

PARKING REQUIRED PER CCOZ CHAPTER 19.73

STUDIO = 1 SPACE / UNIT
1 BED = 1.5 SPACE / UNIT
2 BED = 1.5 SPACE / UNIT
OFFICE = 3 SPACES / 1000 SF
RETAIL = 3 SPACES / 1000 SF
GUEST = 33 SPACES / UNIT
ADA = 8 SPACES (REQUIRED PER CHAPTER 19.80 OFFSTREET PARKING CODE. NOT INCLUDED IN SHARED PARKING ANALYSIS)

STUDIO 41 UNITS X 1 = 41
1 BED 158 UNITS X 1.5 = 237
2 BED 27 UNITS X 1.5 = 41
OFFICE 4,374 SF = 12
RETAIL 3,361 SF = 9
GUEST 226 X 33 = 75
TOTAL REQUIRED = 415 PARKING SPACES

REQUIRED PER SHARED PARKING = 398
SEE SHARED PARKING TABLE 19.80.080(a) PER MILLCREEK OFF-STREET PARKING CODE ABOVE

PARKING PROVIDED: SHARED PARKING SPACES AVAILABLE
PARKING 1.5 = 94
LEVEL 1 = 91
BASEMENT 1 = 97
BASEMENT 2 = 77
TOTAL = 359 PARKING SPACES (RESIDENTIAL/COMMERCIAL)
+ 8 PARKING SPACES (ADA)

TOTAL SPACES PROVIDED:
= 367 PARKING SPACES
NON-ADA PARKING REDUCTION REQUESTED:
(398-359) = 37 STALLS
(37/396) x 100 = 9.3% REDUCTION
SEE ADDITIONAL PARKING STUDY FOR ANALYSIS AND ACCEPTABILITY OF PROVIDED STALLS

PARKING REDUCTION REQUESTED:
BEFORE SHARED PARKING TABLE: 13.49%
AFTER SHARED PARKING TABLE: 9.3%

BICYCLE STORAGE

	INTERIOR STORAGE
PARKING 1.5	38
LEVEL 1	38
LEVEL B1	38
LEVEL B2	38
TOTAL BICYCLE STORAGE	152

LOT COVERAGE

ALLOWABLE MIN LOT COVERAGE	50%
ALLOWABLE MAX LOT COVERAGE	80%
PROPOSED LOT COVERAGE	80%
OPEN SPACE	20%

3300 S. MIXED USE

TOTAL FRONTAGE	320'-9"
NON-RESIDENTIAL FRONTAGE:	185'-9"
REQUIRED >50% OF TOTAL PROVIDED (185'-9"/320'-9")	>180'-4" 88%
RESIDENTIAL FRONTAGE:	134'-9"
REQUIRED <50% OF TOTAL PROVIDED (134'-9"/320'-9")	<180'-4" 42%

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SUITE 102
SALT LAKE CITY, UT 84101
PHONE: 385.273.3888
dwelldesignstudio.com

THE HUDSON

1306 EAST 3300 SOUTH
MILLCREEK, UTAH

ISSUE

DATE	DESCRIPTION	INCLUDED
9/29/21	SD Submittal	X

REVISION

DATE	DESCRIPTION	REV
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ARCHITECTURAL
SITE PLAN

JOB NUMBER: 23 192 01

DRAWN BY: DB
CHECKED BY: PJ

SP-01

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**APPRAISAL REPORT
A 1.76-ACRE PARCEL OF LAND**

**LOCATED AT
SOUTHEAST CORNER OF 3300 SOUTH 1300 EAST
MILLCREEK, UTAH 84106**

**WESTERN STATES
MULTIFAMILY**



6440 Wasatch Blvd., Suite 215
Salt Lake City, Utah
84121

Phone: 801-278-4796
Email: jeff@wsmultifamily.com

FILE #2110-05n

**JEFF NEESE, MAI
APPRAISER**

**PREPARED FOR
COTTONWOOD RESIDENTIAL**

**DATE OF VALUATION:
SEPTEMBER 24, 2021**

**DATE OF THE REPORT:
OCTOBER 4, 2021**



**western states
multifamily**
appraisers & consultants

October 4, 2021

Mr. Stan Hanks
EVP Asset Management
Cottonwood Residential
1245 Brickyard Road, Suite 250
Salt Lake City, UT 84106

Description:	<i>A 1.76-acre parcel of land</i>
Address:	<i>Southeast Corner of 3300 South and 1300 East</i>
Municipality:	<i>Millcreek, Utah 84106</i>
Tax Identification No(s):	<i>16-28-351-048; 049 & 052</i>
	<i>16-29-477-014</i>
Owner of Record:	<i>33rd and 13th, LLC</i>
Client:	<i>Cottonwood Residential</i>
Intended Users:	<i>Cottonwood Residential</i>
Western States File No:	<i>2110-05n</i>

Dear Mr. Hanks:

At your request, an Appraisal Report has been completed on a parcel of land, located at Southeast Corner of 3300 South and 1300 East, Millcreek, Utah. An investigation of current data, as well as a complete analysis, has been conducted in order to form an opinion of value. The data, analyses, and conclusions are presented in a narrative format within the body of the report.

The analyses, opinions, and conclusions, as well as the preparation of this report, have been in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute. The value of the property has been determined in accordance with requirements of the current Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

Therefore, after analyzing and reconciling all of the data presented in the report, I am of the opinion that the market value of the fee simple interest in a 1.76 acre parcel of land, located at the Southeast Corner of 3300 South and 1300 East, Millcreek, Utah, as of the date of inspection, September 24, 2021, is:

SEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$7,650,000)

The indicated value reflects the value of the real estate. No value has been assigned to any personal property, furniture, fixtures, or good-will.

The value conclusion reflects the rights associated with the fee simple title and is subject to the assumptions and limiting conditions as stated in this report, as well as the following ***Extraordinary Assumptions***:

- It has been assumed that development of the proposed 278-unit apartment project, as described herein, will be approved by the city of Millcreek.

The use of extraordinary assumptions and hypothetical conditions might have affected assignment results.

The projected marketing time for the property is one year or less. The projected exposure time is one year or less.

The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Statement of Qualifications.

Your attention is invited to the attached appraisal report, which outlines in detail the data collected and used to form an opinion of value for the above described property.

Respectfully submitted,

Jeff Neese, MAI

Utah State Certified General Appraiser License #5451871-CG00 (Exp. 6/30/23)
--

JN/cj
Enc.

APPRAISAL REPORT PREFACE

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CERTIFICATION OF APPRAISER

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property appraised that is the subject of this report and have no personal interest with respect to the parties involved.
- I have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- I have made a personal inspection of the property that is the subject of this report.
- No other persons provided significant real property appraisal assistance to the person signing this certification.

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute. Additionally, I am licensed by the State of Utah, Department of Commerce, Division of Real Estate. Under the state's licensing regulations, I am a Certified General Appraiser.

The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Statement of Qualifications. No further steps were necessary to comply with the Competency Provisions of the USPAP.

October 4, 2021

Date signed

Jeff Neese, MAI

Utah State Certified General Appraiser License #5451871-CG00 (Exp. 6/30/23)
--

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

No responsibility is assumed for the legal description or for matters included in legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in the report.

The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated in report.

Responsible ownership and competent property management are assumed.

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

It is assumed that there are no hidden or unapparent conditions of the property or its subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.

It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or from any private entity or organization, has been or can be obtained or renewed for any use on which the value opinion contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

This appraisal report has also been made with the following general limiting conditions:

The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separated allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

The appraiser herein by reason of this appraisal is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

EXECUTIVE SUMMARY

Property Appraised	A 1.76-acre parcel of land
Location	Southeast Corner of 3300 South and 1300 East, Millcreek, Utah 84106
Census Tract	1118.02
Purpose of the Appraisal	Form an opinion of market value as of the date of inspection.
Client	Cottonwood Residential
Use and Users of the Appraisal	For use by Cottonwood Residential for use in partnership negotiations.
Property Rights Appraised	Fee Simple
Tax I.D. Numbers	16-28-351-048; 049 & 052 16-29-477-014
Owner of Record	33 rd and 13 th , LLC
Land Size:	1.76 acres (+/- 76,537 square feet)
Zoning:	C-2 (Commercial)
Jurisdiction	City of Millcreek
Existing Improvements	None
Highest and Best Use	Multifamily residential development
Market Value "As Is"	\$7,650,000
Date of Final Inspection and Date of Valuation	September 24, 2021
Date of the Report	October 4, 2021
Projected Marketing Time	One year or less
Projected Exposure Time	One year or less

FACTUAL DESCRIPTION

IDENTIFICATION OF PROPERTY AND STATEMENT OF OWNERSHIP

Property Appraised	A 1.76-acre tract of land
Location	Southeast Corner of 3300 South and 1300 East Millcreek, Utah 84106
Jurisdiction	Millcreek, Utah
Postal Code	84106
Census Tract	1118.02
Property Rights Appraised	Fee Simple
Tax I.D.	15-36-476-032; 033
Owner of Record	33 rd and 13 th , LLC
Land Size:	1.76 acres (+/- 76,537 square feet)

LEGAL DESCRIPTION

Parcel 1:

Beginning at a point on the South Line of 3300 South Street, said point being North 89°48'00" East 50.00 feet along the Monument Line and South 00°18'43" West 40.00 feet from a Salt Lake County Monument on the intersection of 3300 South Street and 1300 East Street, said point also being North 89°48'00" East 17.00 feet and South 00°18'43" West 7.00 feet from the Northwest Corner of Lot 9, Block 23, Ten Acre Plat "A", Big Field Survey, and running thence North 89°48'00" East 225.01 feet along said South Line; thence South 00°18'50" West 199.01 feet; thence South 89°48'00" West 110.00 feet; thence North 00°18'50" East 97.76 feet; thence South 89°48'00" West 125.01 feet to a point on the East Line of 1300 East Street; thence North 00°18'50" East 91.25 feet along said East Line; thence North 45°03'25" East 14.21 feet to the point of beginning.

Parcel 2:

Beginning at a point on the South line of 3300 South Street at a point 1115.4 feet North and 198.5 feet East from the Southwest Corner of Section 28, Township 1 South, Range 1 East, Salt Lake Base and Meridian, said point being the Northwest Corner of the property described in the Deed to Bayway Blind and Drapery, Inc., recorded February 14, 1969 as Entry No. 2277151 in Book 2730 at Page 291 of Official Records; and running thence South 89°48'36" West 132.5 feet, more or less, along the South line of 3300 South Street to the Northeast Corner of the property described in the Deed to Gordon H. Christensen, recorded July 11, 1973 in Book 3370 at Page 162 of Official Records; thence South 0°18'43" West 206.00 feet along the East line of said Christensen property; thence North 89°48'36" East 16.30 feet; thence South 0°18'43" West 25.83 feet; thence East 119 feet, more or less, to a point due South from the point of beginning; thence North 232.24 feet to the point of beginning.

Excepting therefrom the North 7 feet of the West 82.5 feet of said property.

Also, Less and Excepting therefrom that portion described in that certain Quit-Claim Deed to Salt Lake County, for the purpose of widening 33rd South Street, recorded June 8, 1971, as Entry No. 2390209, in Book 2966 at Page 1000 of Official Records, described as follows:

The North seven (7) feet of the following tract:

Beginning at a point on the South line of a 4 rod Street known as 33rd South Street, at a point North 89°45' East 18 rods from the Northwest corner of Lot 9, Block 23, Ten Acre Plat "A", Big Field Survey and running thence South 14' West 16 rods; thence North 89°45' East 5 rods; thence North 14' East 16 rods to the South line of said Street; thence South 89°45' West, along the South line of said Street, 5 rods to the point of beginning. Part of the Southwest 1/4 of the Southwest 1/4 of Section 28, Township 1 South, Range 1 East, Salt Lake Meridian.

Parcel 3:

Commencing North 89°45' East 242 feet from the Northwest Corner of Lot 9, Block 23, Ten Acre Plat "A", Big Field Survey; thence South 0°14' West 206 feet, more or less; thence North 89°45' East 55 feet; thence North 0°14' East 206 feet, more or less; thence South 89°45' West 55 feet to beginning.

Less and excepting the following: Beginning at a point on the South Right-of-Way line of 3300 South, said point being North 89°45' East along said South Right-of-Way line 242.00 feet from the Northwest Corner of Lot 9, Block 23, Ten Acre Plat "A", Big Field Survey; and running thence North 89°45' East along said South line 55.00 feet; thence South 0°14'00" West 120.28 feet to a fence line; thence South 89°45'54" West along said fence 55.00 feet; thence North 0°14'00" East 120.27 feet to the point of beginning.

Parcel 4:

Beginning at a point on the South Right of Way Line of 3300 South Street, said point being North 89°45' East along said South Right of Way Line 242.00 feet from the Northwest Corner of Lot 9, Block 23, Ten Acre Plat "A", Big Field Survey; and running thence North 89°45' East along said South Line 55.00 feet; thence South 0°14'00" West 120.28 feet to a fence Line; thence South 89°45'54" West along said fence 55.00 feet; thence North 0°14'00" East 120.27 feet to the point of beginning.

Less and Excepting therefrom that portion conveyed to Salt Lake County by that Certain Warranty Deed recorded February 02, 1999 as Entry No. 7242525 in Book 8245 at Page 6042 and more particularly described as follows:

Beginning at a point on the South Right of Way Line of 3300 South Street, said point being North 89°45' East along said South Right of Way Line 242.00 feet from the Northwest Corner of Lot 9, Block 23, Ten Acre Plat A, Big Field Survey, and running thence North 89°45' East along said South Line 55.00 feet; thence South 0°14'00" West 7.00 feet; thence South 89°45' West 55.00 feet; thence North 0°14'00" East 7.00 feet to the point of beginning.

PURPOSE OF THE APPRAISAL

The purpose of an appraisal report is to lead the reader from the definition of the appraisal problem to a specific conclusion of value. This process is accomplished through the presentation and analysis of descriptive data and comparable information, which are reconciled to the unique aspects of the appraised property.

USE AND INTENDED USERS OF THE APPRAISAL

The appraisal report is intended for use by Cottonwood Residential for use in partnership negotiations.

EFFECTIVE DATE OF THE APPRAISAL, DATE OF INSPECTION AND DATE OF THE REPORT

The effective date of the appraisal is as of the date of inspection, September 24, 2021. The date of the report is October 4, 2021.

PROPERTY RIGHTS APPRAISED

The property rights appraised include those associated with the fee simple interest. The appraisal is made under the assumption that the present ownership of the subject includes all of the rights that may be lawfully owned, subject to easements of record.

DEFINITIONS

FEE SIMPLE ESTATE

"Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat"¹

MARKET VALUE

"Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from the seller to buyer under conditions whereby:

- buyer and seller are typically motivated;*
- both parties are well informed or well advised, and acting in what they consider their own best interest;*
- a reasonable time is allowed for exposure in the open market;*
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."²*

"AS IS" PREMISE

"Market Value 'as is' on appraisal date means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared."³

¹The Dictionary of Real Estate Appraisal, 5th Edition, Appraisal Institute, 2010. p. 78.

² Definition of "Market" Value - "Market Value" as defined in the Rules and Regulations, Federal Register, Vol. 55, No. 165, page 34696, as of Friday, December 44, 1990, 12 CFR Part 34.42(f).

³Appraisal Policies and Practices of Insured Institutions and Service Corporations, Federal Home Loan Bank Board, "Final Rule", 12 CFR Parts 563 and 571, December 21, 1987.

PERSONAL PROPERTY, FF & E, AND INTANGIBLES

No personal property, furniture, fixtures and equipment, or intangibles are included among the assets being valued in this report.

MARKETABILITY

Greg Ratliff of Colliers International, Rick Davidson of Newmark Knight Frank, and Kip Paul of Cushman & Wakefield were all contacted regarding the likely exposure time and marketing period for projects similar to the subject. They are all actively involved in selling projects similar to the subject. These experts all indicated that although the market has slowed recently, reasonably priced properties are typically available for only a short period. Many buyers are active in the market and there are relatively few sites for sale at any given time.

Marketing Time

Marketing Time is defined as: “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal⁴”.

The rental market is strong and financing is available for development of apartments. However, there are a limited number of potential buyers for any multifamily site. Therefore, the marketing time is projected at one year or less.

Exposure Time

Exposure Time is defined as the “estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.”⁵

There is demand for apartment sites at the present time. Most sites are only on the market for only a short period prior to a sale being negotiated. However, as a buyer must generally design a project and obtain financing prior to closing, the exposure time is projected at one year or less.

⁴ The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, 2015. p.140.

⁵ The Dictionary of Real Estate Appraisal, 6th Edition, Appraisal Institute, 2015, p. 83.

RECENT HISTORY OF THE APPRAISED PROPERTY

The site consists of 1.76 acres and is currently vacant and awaiting development. The site is proposed for development with a 278-unit market-rent apartment project.

There are no known sales of the property over the past three years.

The property was offered for sale in 2020 through Greg Barratt of Berkadia. It is believed that the broker did not price the property. A Letter of Intent was received November 5, 2020, with Crescent Acquisitions, LLC as buyer. The price was \$7,200,000. The LOI as accepted by Stan Hanks on November 5, 2020. The sale did not close for unknown reasons.

There are no other known sales or listings of the site over the past three years.

SCOPE OF WORK

The local real estate market was studied and analyzed in order to develop an opinion of value for the subject property. Conversations and interviews took place with various government staff employees regarding zoning, flood plain, ownership, etc. Several discussions with local Realtors and other market participants were conducted.

The site was inspected on September 24, 2021.

Thereafter, comparable data were collected and analyzed using the appropriate accepted approaches to estimating value. The market research and analysis of the data are considered complete and are described in the following pages. The property was valued using the Sales Comparison approach to value.

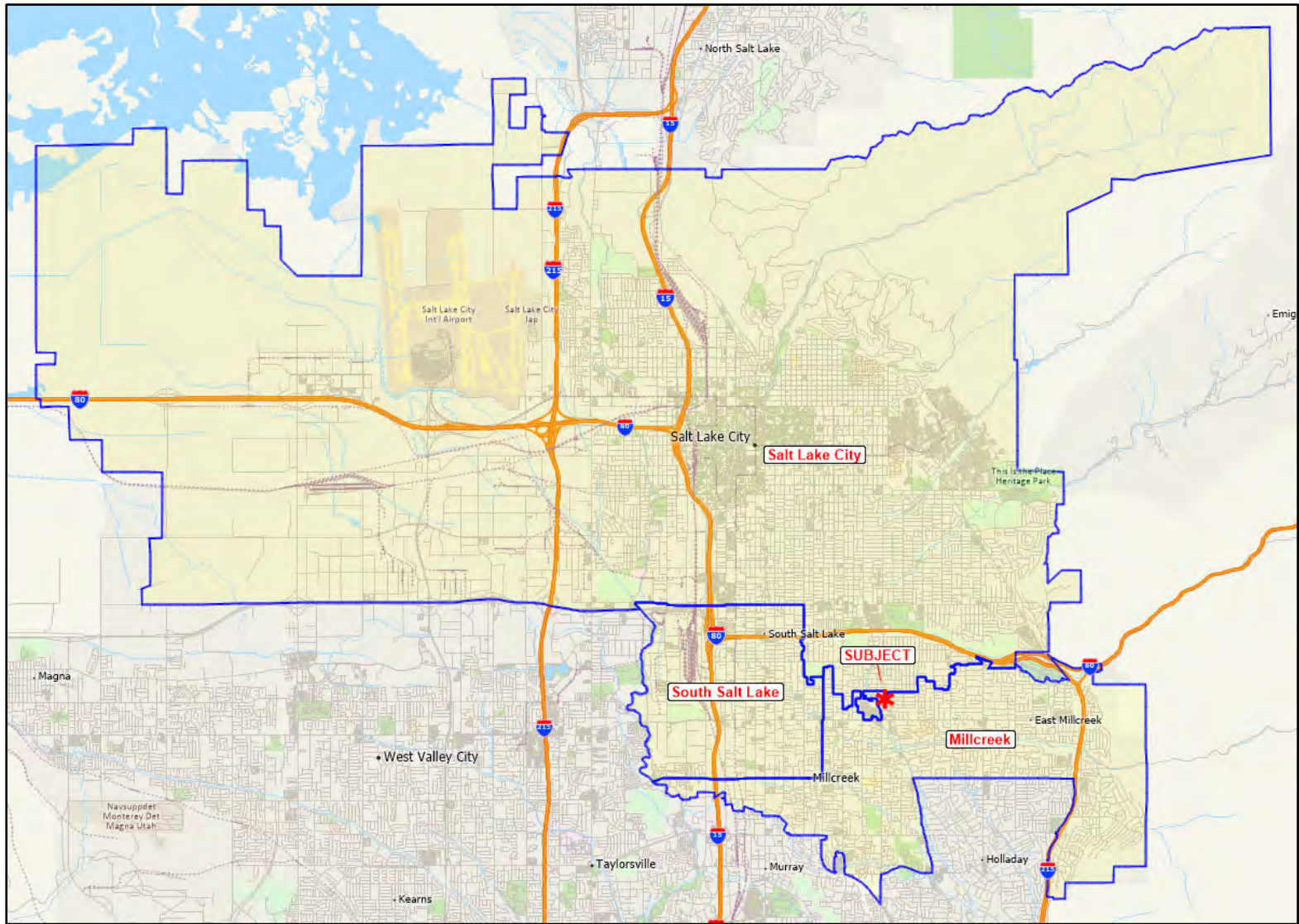
Utah is a nondisclosure state, meaning that when a property sells, neither the seller nor the buyer is required to divulge the sales price. Therefore, to locate recent sales, I contacted many owners and brokers active in the local market. The reporting of the descriptive data is included in full detail in this report. The analysis and reporting of the market data are complete and conform to the requirements adopted by the Appraisal Institute for an Appraisal Report.

MARKET / SUB-MARKET DEFINITION

The primary market area is considered to be Millcreek / South Salt Lake / Salt Lake City. The submarket area is Salt Lake County.

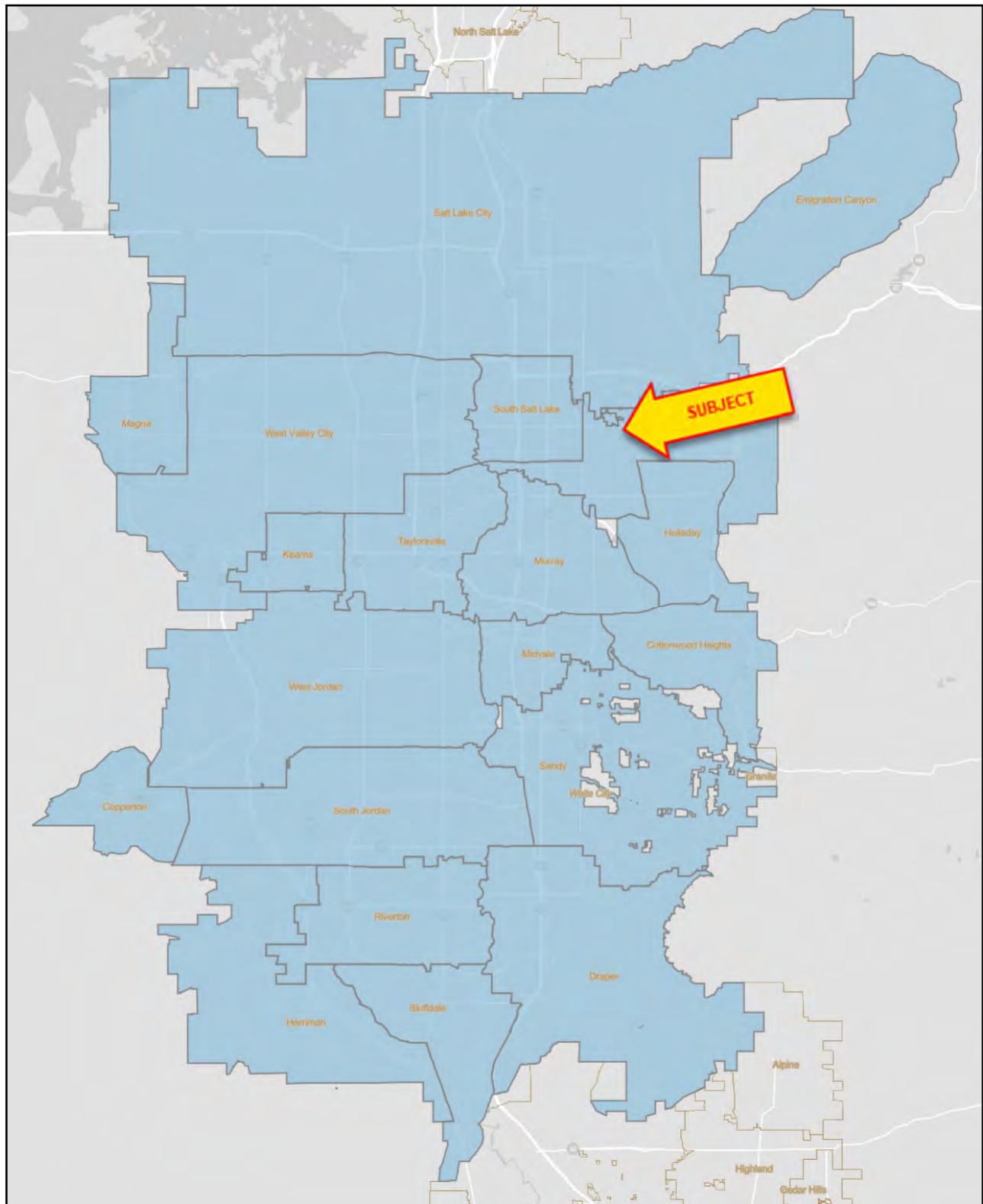
Primary market and sub-market maps can be found on the following pages.

PRIMARY MARKET AREA MAP (MILLCREEK, SOUTH SALT LAKE, SALT LAKE CITY)



**Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily**

SECONDARY MARKET AREA MAP (SALT LAKE COUNTY)



Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily

SALT LAKE COUNTY AREA DESCRIPTION

The site is located in the city of Millcreek, in the northeastern portion of Salt Lake County. It is about six miles southeast of the central business district of Salt Lake City. Salt Lake City is the financial, governmental and cultural hub of the State of Utah. An overview of demographic and economic conditions in Salt Lake County is presented below.

Population

According to the US Census Bureau, the population of Salt Lake County was 1,029,665 as of 2010. Between 2000 and 2010, the population of the county grew by 14.6%, an average of about 1.35% per year. As of 2020, the population is estimated at 1,185,238, which is an increase of 15.1% since 2010.

Both Salt Lake County and Utah's percentage population growth has outpaced the national average each of the last seven decades.

Salt Lake City is the largest city in Salt Lake County, making up 16.9% of the total population. The second largest city in the county is West Valley City, making up 11.9% of the total population. Between 2010 and 2020, the trends in population for Salt Lake County's cities were as follows:

SALT LAKE COUNTY AND CITY POPULATION FIGURES 2010 & 2020			
	2010	2020	Increase
Salt Lake County	1,029,655	1,185,238	15.1%
Salt Lake City	186,440	199,723	7.1%
West Valley City	129,480	140,230	8.3%
West Jordan	103,712	116,961	12.8%
Sandy	87,461	96,904	10.8%
South Jordan	50,418	77,487	53.7%
Millcreek	62,139	63,380	2.0%
Taylorsville	58,652	60,448	3.1%
Herriman	21,875	55,144	152.1%
Draper	42,274	51,017	20.7%
Murray	46,746	50,637	8.3%
Riverton	38,753	45,285	16.9%
Midvale	27,964	36,028	28.8%
Cottonwood Heights	33,433	33,617	0.6%
Holladay	26,472	31,965	20.8%
South Salt Lake	23,617	26,777	13.4%
Bluffdale	7,598	17,014	123.9%
<i>Source: U.S. Census Bureau</i>			

Although Salt Lake County benefits from net migration most years, natural increase has historically accounted for the greatest percentage of population increase. Over the past decade, about 87% of the county's population growth was due to natural increase.

Salt Lake County has shown strong population growth trends for the past 70 years. Since 1940, the average annual rate of growth has been 2.2%.

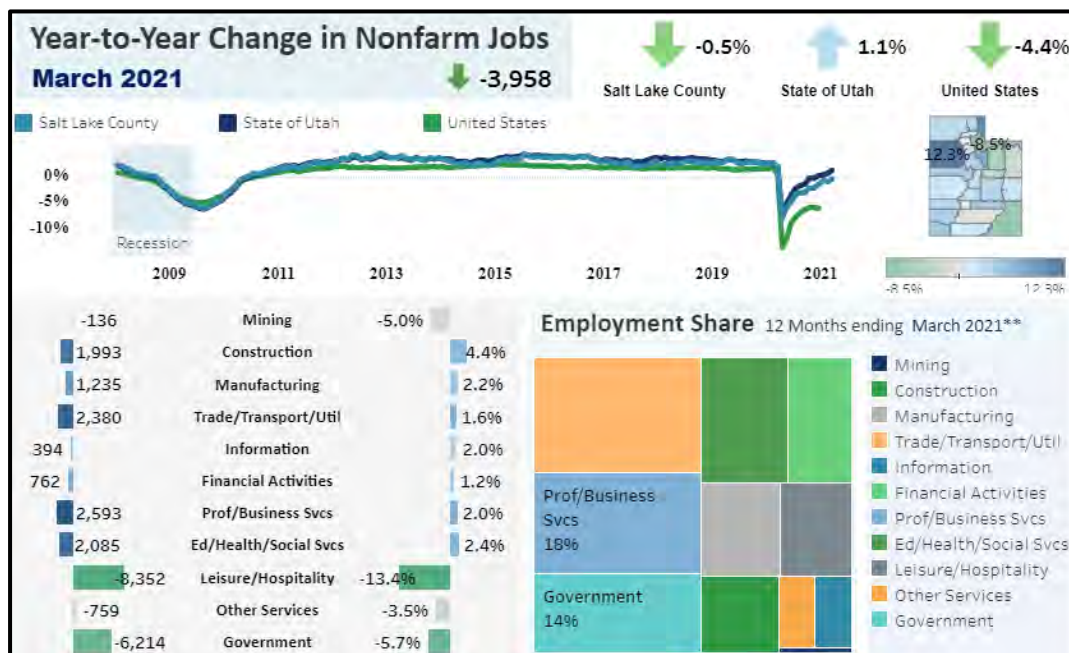
SALT LAKE COUNTY POPULATION TRENDS		
Year	Population	Percentage Increase
1940	213,700	-
1950	279,000	30.6%
1960	387,800	39.0%
1970	461,500	19.0%
1980	625,000	35.4%
1990	728,298	16.5%
2000	902,777	24.0%
2010	1,029,665	14.1%
2020	1,185,238	15.1%
2025 Projection	1,254,975	5.9% (5 years)
Sources: <i>Historical Figures - U.S. Census Bureau</i> <i>Projection – The Kem C. Gardner Policy Institute (2018-2028 Short-Term State and County Projections) projects that the county's population will increase at an average annual rate of 1.18% between 2020 and 2025. Therefore, the actual 2020 U.S. Census population estimate has been trended forward at an annual rate of 1.15% to project the 2025 population.</i>		

Employment

Employment in Salt Lake County increased every year from 2003 through 2008, before declining 2009 thru 2010. However, employment increased each year from 2010 to 2019. The unemployment rate steadily declined from 2010 to 2019, before increasing in 2020 due to the COVID-19 pandemic. The July 2021 unemployment rate was 2.6%, down from the 5.2% July 2020 figure. Total employment increased 5.9% from July 2020 to July 2021.

SALT LAKE COUNTY TREND IN EMPLOYMENT 2007 TO 2021 (AUGUST OF EACH YEAR)				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	552,866	538,422	14,444	2.6%
2008	557,379	538,264	19,115	3.4%
2009	550,762	509,757	41,005	7.4%
2010	549,021	506,603	42,418	7.7%
2011	546,307	511,015	35,292	6.5%
2012	558,110	529,793	28,317	5.1%
2013	571,092	546,757	24,335	4.3%
2014	575,987	554,931	21,056	3.7%
2015	586,212	566,534	19,678	3.4%
2016	604,377	585,614	18,763	3.1%
2017	615,753	596,469	19,284	3.1%
2018	619,750	601,444	18,306	3.0%
2019	637,651	622,209	15,442	2.4%
2020	648,119	611,685	36,434	5.6%
2021	652,248	635,878	16,370	2.5%

Source: Utah Department of Workforce Services
Data Is Seasonally Adjusted



Salt Lake County's largest civilian employers are:

MAJOR EMPLOYERS 2020 Salt Lake County 			
Rank	Company	Industry	Annual Average Employment
1	University of Utah	Higher Education	20,000 +
2	State of Utah	State Government	20,000 +
3	Intermountain Health Care	Health Care	15,000-19,999
4	United States Government	Federal Government	10,000-14,999
5	LDS Church Religious Agencies	Religious Organizations	7,000-9,999
6	Zions Bank	Financial Services	7,000-9,999
7	Wal-Mart	Warehouse Clubs/Supercenters	7,000-9,999
8	Granite School District	Public Education	7,000-9,999
9	Jordan School District	Public Education	5,000-6,999
10	Salt Lake County	Local Government	5,000-6,999
11	Amazon Fulfillment Services	Delivery Service	3,000-3,999
12	Canyons School District	Public Education	4,000-4,999
13	Delta Airlines	Transportation	4,000-4,999
14	ARUP Laboratories	Medical Research	3,000-3,999
15	United Parcel Service	Delivery Service	3,000-3,999
16	Smiths	Grocery Stores	3,000-3,999
17	Discover	Financial Services	3,000-3,999
18	Department of Veterans Affairs	Health Care	3,000-3,999
19	Salt Lake City School District	Public Education	3,000-3,999
20	Wells Fargo	Financial Services	3,000-3,999
21	Salt Lake Community College	Higher Education	3,000-3,999
22	U.S. Postal Service	Postal Service	2,000-2,999
23	Goldman Sachs	Financial Services	2,000-2,999
24	L3 Technologies	Manufacturing	3,000-3,999
25	McDonalds	Restaurants	2,000-2,999
26	Biofire Diagnostics	Medical Research	1,000-1,999
27	Utah Transit Authority	Public Transportation	2,000-2,999
28	Kennecott Utah Copper	Mining	2,000-2,999
29	Salt Lake City	Local Government	2,000-2,999
30	Merit Medical Systems	Manufacturing	2,000-2,999
31	Western Governors University	Higher Education	1,000-1,999
32	Skywest Airlines	Transportation	2,000-2,999
33	Costco	Warehouse Clubs/Supercenters	1,000-1,999
34	Mountain America Credit Union	Financial Services	1,000-1,999
35	Harmans	Grocery Stores	1,000-1,999

The largest employment sectors are trade, transportation and utilities, professional and business services and government. The County is the center of Utah's financial activities and government services.

Nonfarm Jobs

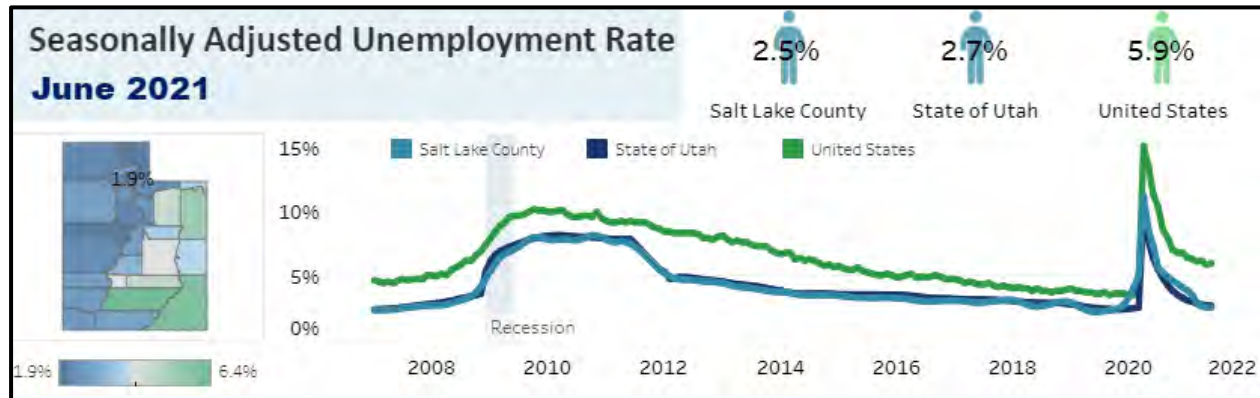
Salt Lake County



	Total	Mining	Construction	Manufacturing	Trade/Transp..	Information	Financial Activities	Professional/Bi Services	Education/Health Services	Leisure/Hospitality Services	Other Services	Government
2000	545,153	2,336	34,636	55,342	118,505	20,664	41,268	88,340	41,404	43,923	15,950	82,785
2001	544,714	2,171	33,755	53,423	119,204	20,498	43,764	85,400	46,302	43,821	16,896	79,480
2002	533,720	1,873	30,529	49,761	115,861	18,598	43,751	80,214	47,857	45,856	18,091	81,329
2003	527,955	1,702	30,192	48,898	112,664	17,583	44,019	79,701	49,630	43,802	17,440	82,324
2004	535,409	1,682	30,943	50,235	114,096	17,386	43,418	81,587	51,418	44,008	17,527	83,109
2005	555,055	2,012	34,128	51,138	117,178	17,963	44,719	87,412	53,610	44,683	17,786	84,426
2006	579,780	2,203	39,697	53,385	120,294	18,423	47,299	93,999	54,973	46,135	18,140	85,232
2007	601,224	2,450	42,492	55,775	125,060	18,468	49,816	96,685	57,845	47,911	18,734	85,988
2008	602,927	2,908	38,514	55,323	125,980	17,214	49,436	96,990	61,098	48,521	18,884	88,059
2009	573,449	2,527	31,300	50,360	118,097	16,545	47,501	89,632	63,454	46,847	18,050	89,136
2010	571,215	2,628	29,743	50,233	116,462	16,291	45,303	91,270	65,241	46,607	17,766	89,623
2011	583,002	3,220	29,490	51,173	118,395	16,249	46,126	95,490	66,406	47,281	17,942	91,230
2012	603,929	3,652	30,517	52,499	123,939	17,464	46,724	100,323	68,028	49,417	18,548	92,819
2013	623,940	3,399	30,585	52,565	126,638	17,937	48,821	106,637	70,970	51,884	19,346	95,132
2014	639,395	2,948	31,659	52,391	127,645	18,158	50,318	111,669	71,996	53,638	20,071	98,842
2015	661,285	2,696	33,458	53,360	132,656	17,960	53,069	116,383	75,080	55,560	20,842	100,223
2016	684,282	2,428	35,760	54,487	136,787	18,979	55,414	120,654	78,557	57,521	21,041	102,654
2017	700,603	2,408	38,052	55,951	138,920	20,204	56,982	122,209	81,174	58,811	21,295	104,588
2018	717,860	2,853	40,034	56,653	143,262	20,031	58,727	125,720	82,534	60,804	21,859	105,383
2019	736,616	2,645	42,773	57,836	145,881	20,567	59,900	129,758	84,687	62,712	22,401	107,456
2020	719,856	2,704	45,883	56,540	145,125	20,247	61,313	128,950	83,301	51,823	20,477	103,455

Unemployment

Salt Lake County's unemployment rate stands at 2.5% (June of 2021), which is below the statewide average of 2.7% and well below the national average of 5.9%.



The unemployment rate in Salt Lake County has historically mirrored the rate for the state as a whole. Employment increased by 115,606, or 22.8%, from August 2010 to August 2019. The unemployment rate increased to 11.2% in April 2020 due to the COVID-19 pandemic, up from the 3.2% March 2020 figure. The unemployment rate declined to 4.9% in August 2020, increased to 5.9% in September 2020 but has since declined again to 2.5% as of August 2021.

Total employment in Utah increased by 25.9% between August 2010 and August 2019, but decreased by 0.9% from August 2019 to August 2020 due to the COVID-19 pandemic. However, total employment increased by 2.6% from August 2020 to August 2021.

TRENDS IN EMPLOYMENT 2007 - 2021
SALT LAKE COUNTY AND STATE OF UTAH
 (AUGUST OF EACH YEAR)

Year	Salt Lake County			State of Utah		
	Employment	Growth Rate	Unemployment Rate	Employment	Growth Rate	Unemployment Rate
2007	538,422	3.2%	2.6%	1,328,839	3.2%	2.7%
2008	538,264	0.0%	3.4%	1,322,652	-0.5%	3.6%
2009	509,757	-5.3%	7.4%	1,254,188	-5.2%	7.8%
2010	506,603	-0.6%	7.7%	1,250,576	-0.3%	7.8%
2011	511,015	0.9%	6.5%	1,260,385	0.8%	6.5%
2012	529,793	3.7%	5.1%	1,304,435	3.5%	5.2%
2013	546,757	3.2%	4.3%	1,346,638	3.2%	4.5%
2014	554,931	1.5%	3.7%	1,374,813	2.1%	3.8%
2015	566,534	2.1%	3.4%	1,411,098	2.6%	3.6%
2016	585,614	3.4%	3.1%	1,461,959	3.6%	3.4%
2017	596,469	1.9%	3.1%	1,500,992	2.7%	3.3%
2018	601,444	0.8%	3.0%	1,523,699	1.5%	3.0%
2019	622,209	3.5%	2.4%	1,574,085	3.3%	2.5%
2020	611,685	-1.7%	5.6%	1,559,224	-0.9%	4.1%
2021	635,878	4.0%	2.5%	1,625,136	4.2%	2.6%

Source: Utah Department of Workforce Services. Seasonally adjusted.

Incomes

Median household income was estimated to be \$80,119 in 2019, according to the U.S. Census Bureau's American Community Survey (the most recent figures available). This is slightly higher than the \$75,780, median household income level found in the State of Utah. For 2021, the US Department of HUD estimates the median household income for a family of four is \$92,900. This represents a 5.7% increase from 2020, when the median income was \$87,900. Since 2000, the average annual increase has been 2.7%.

Wages

For the first quarter of 2021, the average monthly wage in the private sector in Salt Lake County was \$5,292. This is 115% of the state-wide average wage of \$4,608. Salt Lake County is the center of government and finance for the state of Utah.

AVERAGE WAGES FOR SALT LAKE COUNTY AND STATE OF UTAH (FIRST QUARTER 2021)		
	Salt Lake County	State of Utah
Total Private Sector	\$5,292	\$4,608
Agriculture	\$3,032	\$3,046
Mining	\$8,859	\$6,919
Utilities	\$7,929	\$7,874
Construction	\$5,161	\$4,884
Manufacturing	\$5,761	\$5,159
Wholesale Trade	\$7,234	\$6,715
Retail Trade	\$3,824	\$3,195
Transportation and Warehousing	\$4,374	\$4,138
Information	\$8,058	\$9,131
Finance & Insurance	\$9,096	\$8,238
Real Estate and Rental Leasing	\$5,819	\$4,881
Professional / Scientific & Technical Svs	\$7,885	\$7,250
Management of Companies / Enterprises	\$8,873	\$8,427
Admin, Support, Waste Mgt, Remediation	\$3,893	\$3,462
Education Services	\$4,487	\$2,888
Health Care & Social Assistance	\$3,976	\$3,587
Arts, Entertainment and Recreation	\$3,388	\$2,414
Accommodation and Food Services	\$1,799	\$1,649
Other Services	\$3,416	\$3,115
Unclassified Establishments	\$6,859	\$6,796
Total Public Sector	\$4,811	\$4,141
Federal Government	\$6,249	\$5,811
State Government	\$5,163	\$4,236
Local Government	\$4,005	\$3,587

Source: Utah Department of Workforce Services. 1st Quarter 2021.

Commuting Patterns

The Interstate-15 corridor runs north/south through the Salt Lake Valley. Commuter rail and light rail lines generally follow the same corridor. Major employment centers are found in downtown Salt Lake City, the University of Utah, the Salt Lake International Airport and in the industrial corridor in the northwestern portion of Salt Lake County.

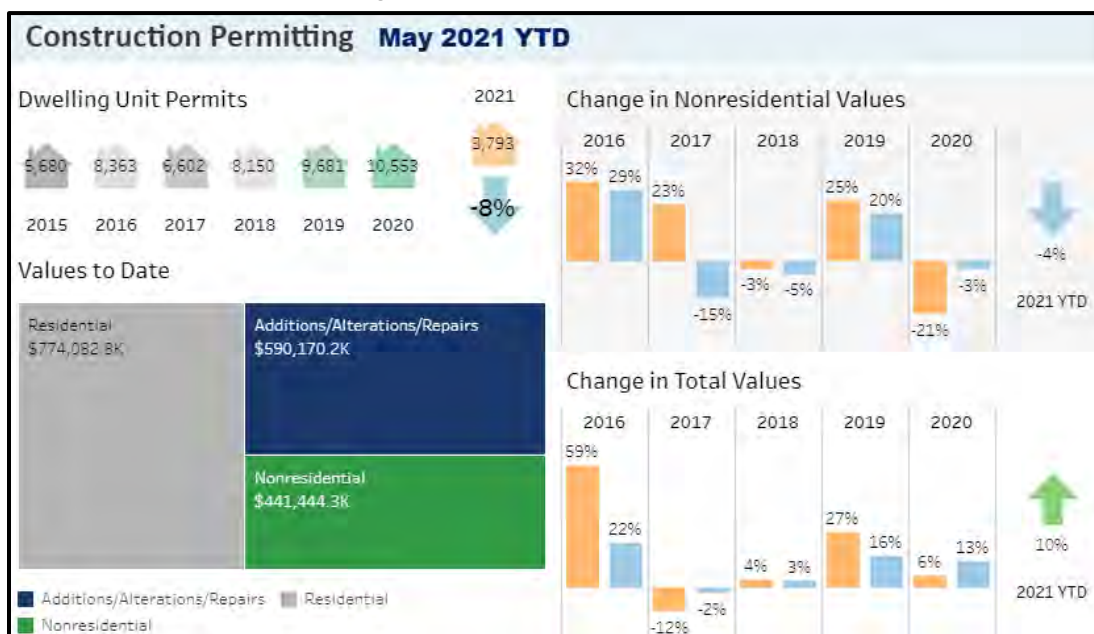
Proximity to freeways and public transportation are a major factor in the success of apartment projects.

Construction

Residential construction in Salt Lake County reached 7,746 new dwelling units in 2015. The number of new dwelling units declined to a low of only 2,193 units in 2010, before increasing each of the next four years. The number of new dwelling units has generally continued to increase, reaching 9,798 in 2019. This is a 19.9% increase over the 2018 figure. During 2015, residential construction value was up 5.0% compared to 2014. Residential construction value increased by 34.6% during 2016. Residential construction increased year-over-year from 2017 until 2020, reaching an all-time high of in 2020 at 10,553 units and \$1.93 billion.

Nonresidential construction reached over \$848 million in 2007 but was only approximately \$308 million in 2010. Nonresidential construction value increased each year from 2013 to 2017, before declining slightly in 2018. However, nonresidential construction value peaked at \$1,118.5 million in 2019, a 18.8% increase over the 2018 figure.

Total construction value reached \$2.15 billion in 2007 and reached a low of \$1.04 billion 2010. In 2014, total construction value was about \$2.03 billion, which was a 27.2% increase from the 2013 figure. During 2015, total construction value was up 3.3% compared to 2014. Total construction value increased 55.8% in 2016, before declining 12.7% in 2017 and increasing 5.2% in 2018. Total construction value peaked at nearly \$4.04 billion in 2020, a 5.3% increase over the 2019 figure.



PERMIT-AUTHORIZED CONSTRUCTION IN SALT LAKE COUNTY
(2000 TO JUNE 2021)

Year	Number of New Dwelling Units	% Chng from Previous Year	New Residential Construction	% Chng from Previous Year	New Nonresidential Construction*	% Chng from Previous Year	Total Construction* (Inc. Add., Alter., & Rep)	% Chng from Previous Year
2000	4,666	-11.7%	\$544.6	-6.0%	\$535.9	1.2%	\$1,421.2	1.2%
2001	5,429	16.4%	\$628.4	15.4%	\$438.5	-18.2%	\$1,389.8	-2.2%
2002	5,406	-0.4%	\$653.5	4.0%	\$292.6	-33.3%	\$1,142.0	-17.8%
2003	7,399	36.9%	\$899.0	37.6%	\$296.1	1.2%	\$1,430.8	25.3%
2004	6,491	-12.3%	\$918.7	2.2%	\$504.7	70.4%	\$1,673.0	16.9%
2005	7,746	19.3%	\$1,174.5	27.8%	\$496.3	-1.7%	\$2,073.6	23.9%
2006	6,200	-20.0%	\$1,087.5	-7.4%	\$621.9	25.3%	\$2,075.5	-0.1%
2007	4,512	-27.2%	\$820.0	-24.6%	\$848.7	36.5%	\$2,153.6	3.8%
2008	3,555	-21.2%	\$588.5	-28.2%	\$707.8	-16.6%	\$1,656.1	-23.1%
2009	4,586	29.0%	\$649.5	10.4%	\$564.4	-20.3%	\$1,545.1	-6.7%
2010	2,193	-52.2%	\$396.4	-39.0%	\$308.1	-45.4%	\$1,042.6	-32.5%
2011	2,399	9.4%	\$471.0	18.8%	\$726.0	135.2%	\$1,640.2	57.3%
2012	2,934	22.3%	\$634.6	34.7%	\$608.6	-16.2%	\$1,589.5	-3.1%
2013	5,153	75.6%	\$901.0	42.0%	\$432.4	-30.4%	\$1,595.9	0.4%
2014	6,529	26.7%	\$994.9	10.4%	\$518.0	19.8%	\$2,029.6	27.2%
2015	6,077	-6.9%	\$1,045.1	5.0%	\$602.6	16.3%	\$2,096.4	3.3%
2016	8,323	37.0%	\$1,406.2	34.6%	\$803.7	33.4%	\$3,266.9	55.8%
2017	6,567	-21.1%	\$1,255.7	-10.7%	\$976.4	21.5%	\$2,852.9	-12.7%
2018	8,150	24.1%	\$1,467.6	16.9%	\$941.4	-3.6%	\$3,001.2	5.2%
2019	9,798	20.2%	\$1,804.8	22.9%	\$1,118.5	18.8%	\$3,838.6	27.9%
2020	10,553	7.7%	\$1,929.2	6.9%	\$936.6	-16.3%	\$4,043.3	5.3%
2021 (Thru June.)	4,302	-33.2%	\$881.1	-25.2%	\$531.1	11.2%	\$2,147.2	-1.1%

- In millions of dollars
- 2021 figure is through June.
- For current year, % change from previous year was calculated as % change from previous year at the same time.
- Source: Ivory-Boyer Construction Database

Over the last several years, single family building permits peaked in 2005 at 5,401. However, only 1,018 permits were issued in 2009. Single family permits remained fairly flat during 2010 and 2011 but increased approximately 66% in 2012 and about 19% in 2013. During 2014, single family building permits decreased approximately 21% and increased 5% in 2015. Single family permits increased by 20% in 2016 before decreasing slightly in 2017. Single family permits increased 7.5% in 2018 before dipping down 25.2% in 2019. During 2020 single-family permits once jumped back up, increasing by 27.0% over the prior year.

SINGLE-FAMILY BUILDING PERMITS IN SALT LAKE COUNTY	
Year	Units Permitted
2001	3,558
2002	3,796
2003	4,992
2004	4,920
2005	5,401
2006	4,624
2007	2,562
2008	1,147
2009	1,018
2010	1,292
2011	1,258
2012	2,093
2013	2,485
2014	1,954
2015	2,058
2016	2,475
2017	2,455
2018	2,640
2019	1,976
2020	2,510
2021 (Thru June)	1,433
<i>Sources: Ivory-Boyer Construction Database</i>	

3,568 multi-family building permits were issued in 2009, the highest total of the decade. However, multi-family building permits decreased substantially in 2010, 2011 and 2012. Multi-family permits increased 217% from 2012 to 2013. 4,575 multi-family permits were issued during 2014, an approximately 71% increase over the 2013 figure and nearly a 28% increase over the previous peak year of 2009. Multi-family permits decreased 12% during 2015. However, multifamily permits reached 5,853 in 2016, a 46% increase over the 2015 figure. Multifamily permits declined 30% during 2017 before increasing by 42% during and again by 2.8% during 2020.

MULTI-FAMILY BUILDING PERMITS IN SALT LAKE COUNTY	
Year	Units Permitted
2001	1,871
2002	1,610
2003	2,407
2004	1,571
2005	2,345
2006	1,576
2007	1,950
2008	2,408
2009	3,568
2010	901
2011	1,146
2012	841
2013	2,668
2014	4,575
2015	4,019
2016	5,853
2017	4,112
2018	5,510
2019	7,822
2020	8,043
2021 (Thru June)	2,869
<i>Source: Ivory-Boyer Construction Database</i>	

Anticipated Future Economic Conditions

Construction activity has increased recently in Salt Lake County. Total construction value during 2016 increased by 55.8% compared to 2015, before declining 12.7% during 2017. Total construction value increased 5.2% during 2018, 27.9% during 2019 and 5.3% during 2020.

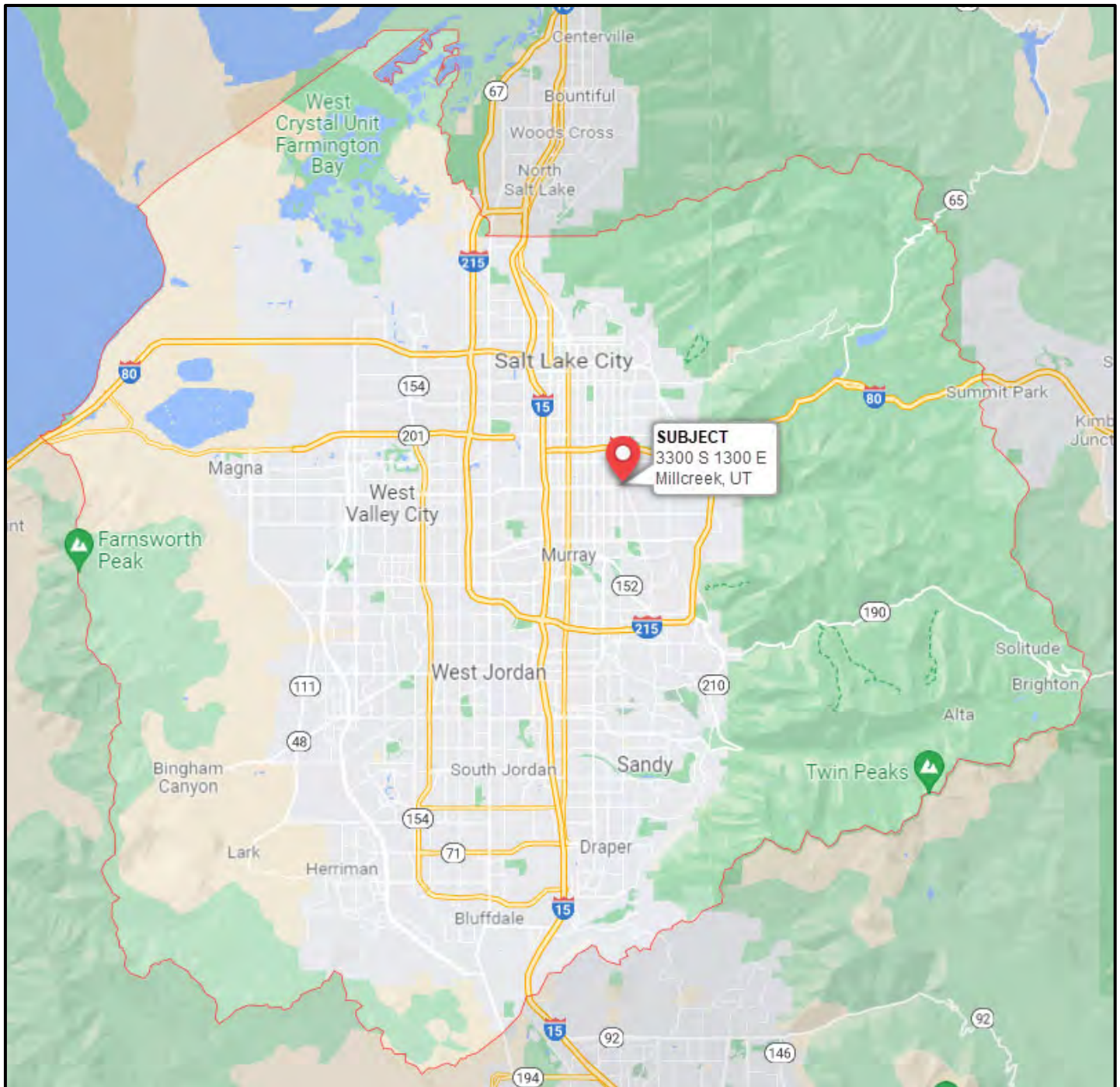
Employment increased 2.2% from March 2019 to March 2020. The unemployment rate was 3.2% in March 2020. However, due to the COVID-19 pandemic, the April 2020 unemployment rate was 11.2%, before declining to 9.4% in May 2020, 6.3% in June 2020; 5.7% in July 2020 and 4.9% in August. However, the November 2020 unemployment rate increased to 5.7%. The June 2021 figure of 2.5% is below the statewide average of 2.7% and the national average of 5.9%.

An economy that is stronger than the rest of the nation continues to result in population increases in Salt Lake County. The county's population continues to grow at a strong pace. The population is expected to increase by another 1.25% per year through 2024.

The COVID-19 pandemic slowed economic growth in 2020, but Utah is one of the best-equipped states to recover according to the Pew Research Center.

The economy of Salt Lake County is closely tied to the economy of the state. By most accounts, Utah has the strongest economy in the United States.

SALT LAKE COUNTY MAP



Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily

APARTMENT MARKET CONDITIONS IN SALT LAKE COUNTY

Absorption between 2010 and 2019 (per 2019 American Community Survey) was 16,434 units, an average of 1,826 per year. This is about double annual average during the 2000 to 2009 period. Much of the increased demand for apartments can be attributed to the weakness of the "for sale" housing market, which has led to strong growth in the number of renter households.

Vacancy rates in the area are low and rental rates have been increasing at 3% to 5% per year for the past few years.

The long-term outlook for rental housing in Salt Lake County is strong. Utah continues to experience the nation's highest birth rate. The state has experienced net in-migration over the past several years. The unemployment rate is well below national averages. According to the American Legislative Exchange Council, Utah is ranked as the state with the best economic outlook.

There are currently (2021) about 134,094 occupied rental units in Salt Lake County. This is projected to increase to 151,997 by 2025, an average annual increase of about 4,424 renter households.

Currently, about 30% of the rental units in Salt Lake County are single family homes or mobile homes and 15% are in two to four-unit structures. The remaining 55% are in structures with five or more units.

Characteristics of the local rental housing market are examined in the following pages.

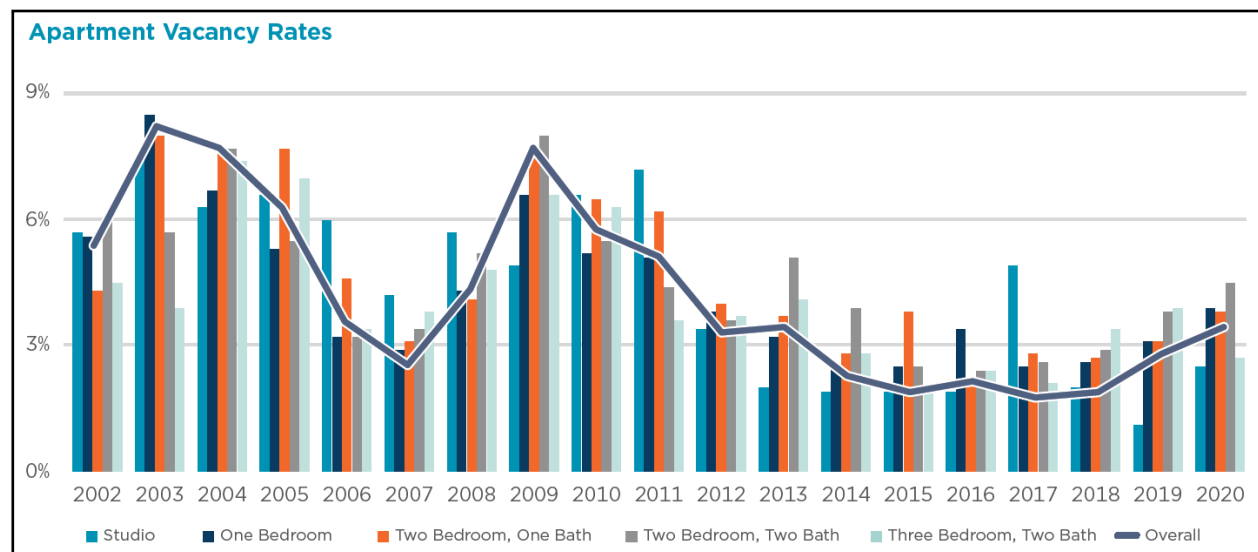
Current Occupancy Rates

Currently, the average vacancy rate in Salt Lake County is estimated by various sources at between 3.0% and 5.2%. A summary of the most reliable surveys conducted over the past few months is as follows:

SALT LAKE COUNTY VACANCY RATE SURVEYS			
Source	Date of Survey	Vacancy Rate	Comments
Berkadia	1 st Quarter 2021	4.4%	Equal to one year earlier.
CBRE	Year-End 2020	4.8%	Up from 4.4% year-end 2019 figure.
Marcus & Millichap	Year-End 2020	4.2%	Equal to 4.2% 2019 figure
Moody's Analytics REIS	2 nd Quarter 2021	5.3%	Decreased from 6.0% one year earlier.
Wadsworth Commercial Real Estate	2 nd Quarter 2021	3.0%	Down from 6.8% figure one year earlier.
Colliers International	2 nd Quarter 2021	3.8%	Down from 4.7% figure one year earlier.
Average		4.2%	

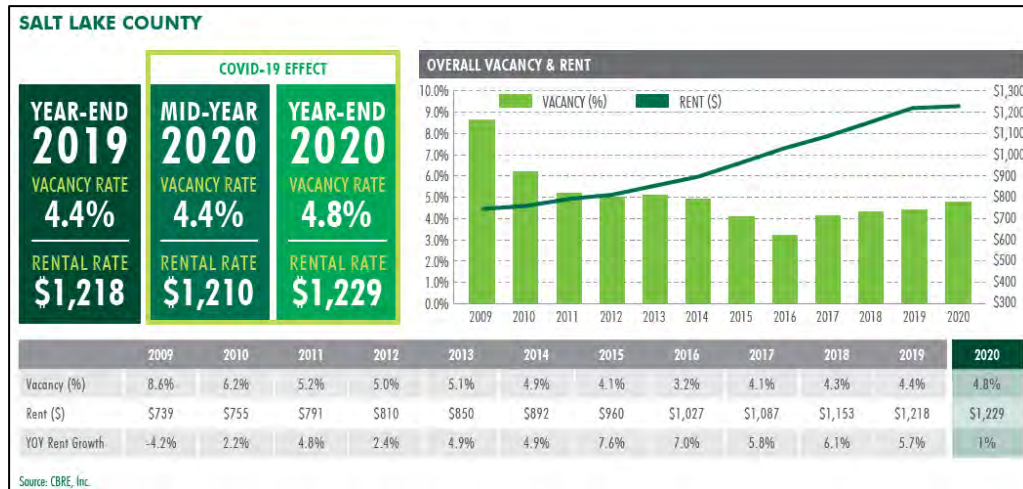
Based on the figures above, the current vacancy rate in Salt Lake County is estimated at about 4.2%.

General trends in apartment vacancy rates are visualized in the graph below from the Cushman & Wakefield *Year-End 2020 Greater Salt Lake Area Apartment Market Report*.



Trends in Rental Rates

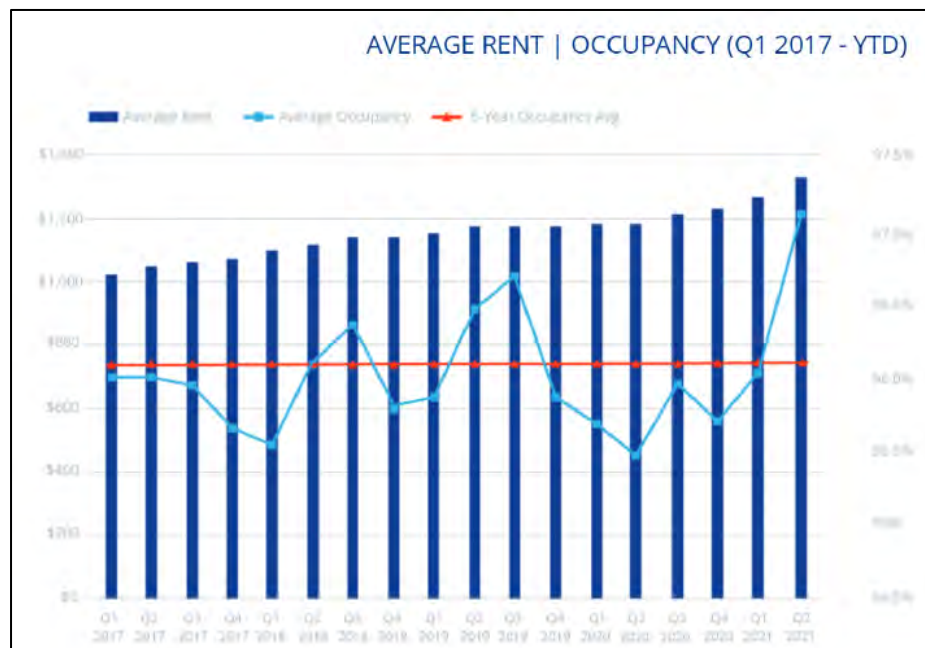
According to CBRE's 2021 Greater Salt Lake Area Multifamily Market Report, the average rental rate in Salt Lake County decreased 0.7% from year-end 2019 to mid-year 2020, but increased 1.6% from mid-year 2020 to year-end 2020.



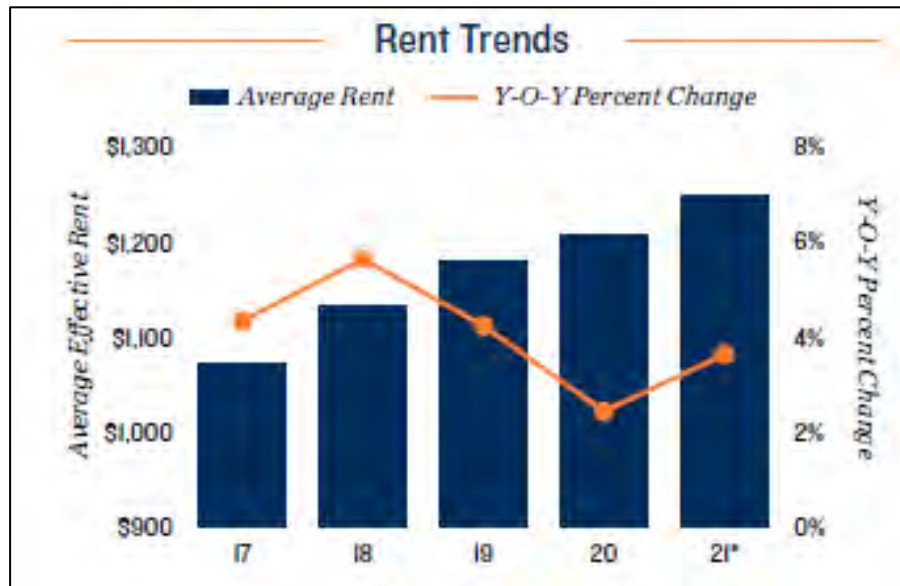
A study completed by Berkadia indicates that rental rates in the Salt Lake City metro area increased 3.6% from 1st Quarter 2020 to 1st Quarter 2021.

According to Moody's Analytics REIS, the average rental rate increased 0.4% from 2nd Quarter 2020 to 2nd Quarter 2021.

According to Colliers International's Salt Lake City MSA Q2 2021 Multifamily Review, the average second quarter 2021 rent was \$1,310, up 10.4% from one year prior:



According to March & Millichap, the average rent in the Salt Lake City Metro Area was \$1,205 during 2020, which a 2.4% year-over-year increase. Average rents are forecasted to increase 4% during 2021.



According to Wadsworth Commercial Real Estate, rental rates in Salt Lake County increased 11.7% from 2nd Quarter 2020 to 2nd Quarter 2021:



Trends in Selling Prices of Apartments

An analysis of sales data from the 2000 to 2021 period has been completed. The survey deals only with those projects that are 100 units and over and were less than 30 years old.

TRENDS IN SELLING PRICES FOR MODERN (30 YEARS OLD OR NEWER) APARTMENT PROJECTS IN THE SALT LAKE MARKET (100 UNIT PLUS PROJECTS)		
Year	No. of Sales	Average Selling Price Per Sq. Ft.
2000	2	\$52
2001	11	\$63
2002	8	\$72
2003	6	\$75
2004	5	\$80
2005	7	\$85
2006	9	\$93
2007	7	\$107
2008	10	\$107
2009	5	\$102
2010	1	\$111
2011	6	\$121
2012	4	\$131
2013	10	\$140
2014	5	\$183
2015	4	\$182
2016	7	\$206
2017	9	\$235
2018	9	\$247
2019	5	\$267
2020	7	\$322
2021	5	\$408

2021 represents a new peak for selling prices, having increased by 267% since 2010.

Absorption Experience of New Apartment Projects

The absorption experience of new apartment projects has been strong recently. However, it has been necessary for some of the higher-rent projects to offer rental concessions in order to fill units. The absorption of experience of some local projects is as follows:

RECENT ABSORPTION OF NEW APARTMENT PROJECTS IN SALT LAKE COUNTY			
Project	Year	No. of Units	Absorption Rate Per Month
Downtown 360	2017 - 18	151	12
4 th West	2016 - 18	493	19
9 th East Lofts at Bennion Plaza	2017	68	22
Paragon Station	2017	38	7
Greenprint at the TRAX	2017 - 18	60	15
Moda Bonneville	2017 - 18	158	13
Alta Gateway Station	2017 - 18	277	14
Project Open, Phase 1	2017 - 18	112	37
Liberty Blvd	2018	267	20
District North	2018	148	20
North Temple Flats	2018	168	50
Meridian	2018 - 19	263	16
21 by Urbana	2018 - 19	126	17
Block 44	2018 - 19	214	29
Pierpont by Urbana	2019 - 20	87	9
Cornell Place	2019 - 20	146	10
@2100	2020	82	18
Maven West	2020 - 21	30	10
Greenprint West Temple	2021 - 21	145	16
Paxton 365	2021 - 21	121	15
Oquirrh Hills	2016 - 18	288	21
Herriman Towne Center	2016 - 18	304	17
Kimpton Square	2017	97	30
Park at City Center	2017	330	11
The Ridge	2017	261	10
Station at Midvale	2017 - 18	184	35
Higrade	2018	102	25
Metro at Fireclay, Phase 1	2018 - 19	175	14
The Zeller	2018 - 19	293	17
Affinity 56, Phase 1	2018 - 19	192	16
ICON 9700	2018 - 19	264	18
Ritz Classic	2018 - 20	287	14
Odessa at the District	2019	120	15
Cliffs at Jordan Station	2019 - 20	237	14
Gardner Station	2019 - 20	276	11
Seasons at Murray Crossing	2019 - 20	293	15
Rockpoint	2019 - 20	251	15
Soleil Lofts	2019 - 21	600	24
Parc View Apartments and Towns	2019 - 20	374	21
Anthology at Vista Station	2019 - 20	241	13
Aspira at Anthem	2019 - 21	342	21
Seasons at Southpoint	2020	120	12
ICO Vista Station	2020	308	29
Vida at Daybreak, Phase 1	2021 - 21	243	17
Highlighted projects are all or partially rented under the LIHTC program.			

The absorption rate at these projects has ranged from 4 to 50 units per month. The average is 18 units per month.

New Apartment Development in Salt Lake County

There has been a surge of new apartment development in Salt Lake County since 2011. Projects completed, under construction and planned in Salt Lake County can be summarized as follows.

SUMMARY OF APARTMENT CONSTRUCTION IN SALT LAKE COUNTY		
Period	Number of Projects	Total Units
Completed 2011 – Current	238	31,902
Under Construction	63	11,073
Likely Starts Next Six Months	60	9,050
Potential Starts – April 2022 or Later	41	7,208

Over the past 10.8 years, 237 apartment projects have been completed in Salt Lake County. Those projects contain a total of 31,902 units. This is equal to an annual average of about 2,954 units. Over that period, the market-wide vacancy rate in Salt Lake County has declined.

If all of the "under construction" and "proposed" projects were to be completed within three years, 27,331 units would be added to the market, an average of 9,211 per year.

Projected new supply includes 11,073 units under construction and 9,050 units likely to begin construction within the next six months. Therefore, 20,123 units should be delivered within the next 2.5 years, say April 2024.

An additional 7,208 additional units planned for construction six months or more from today. Those units would be delivered between 24 and 42 months from today, say by April 2025.

Historically, about 40% of all "proposed" apartment projects have begun construction within any 18-month period.

A review of the proposed apartment projects slated for development in December 2017 revealed the following:

- 28% of the units under construction in September 2019 were still under construction in February 2021 (2,770 / 9,760).
- As of September 2019, there were 3,771 units planned for construction within the next six months. 3,327 of those were under construction by February 2021 (88%).
- As of September 2019, there were 4,571 units planned for construction more than 6 months out. 1,711 of those were under construction by February 2021 (37%). However, there were additional units under construction that were not included in the September 2019 pipelines.

Considering the recent sharp spike in building material costs, it has been estimated that:

- All of the units currently under construction will be completed by October 2023.
- 80% of the projects planned for start of construction with the next six months will be completed within 30 months, say April 2024.
- 40% of the projects planned for start of construction beyond six months will begin construction within 18 months and will be completed by April 2025.

PROJECTED NEW APARTMENT SUPPLY IN SALT LAKE COUNTY	
Period	Number of Units
Under Construction	11,073
80% of Likely Starts – Next Six Months	7,240
40% of Possible April 2022 or Later Starts	2,883
Estimated New Deliveries by April 2025	21,196

Demand for New Apartment Development

Demand for new apartments in 2021 and beyond will depend heavily on job growth and the trend in interest rates, as well as the supply of affordable “for sale” housing.

Absorption of apartment units in Salt Lake County has increased recently due to strong demand for rental housing, with an average of about 2,181 units absorbed per year between 2010 and 2019 (16,434 units absorbed per American Community Survey).

The population of Salt Lake County is projected to grow by about 7.3% between 2020 and 2024.

Between 2000 and 2010, Salt Lake County's population grew at an average annual rate of 1.3%. The population increased by 126,278, which is equal to about 39,000 households. Renter households accounted for about 25% of the household growth, resulting in absorption of 9,750 rental housing units.

Between 2010 and 2019 the number of households in Salt Lake County increased by 45,761, or about 14%. Over that period, the number of renter households increased by 16,434, or 15%. Renter households accounted for about 36% of all household growth in Salt Lake County over that period.

SALT LAKE COUNTY HISTORICAL RENTER HOUSEHOLD GROWTH (2010 TO 2019)			
Year	Total Households	Homeowner Households	Renter Households
2010	338,931	229,445	109,486
2019	384,692	258,772	125,920
Source: Salt Lake County - 2019 American Community Survey, 1-Year Estimates			

According to the Kem C. Gardner Policy Institute's 2018-2028 Short-Term State and County Projections, average annual household growth in Salt Lake County is projected at 1.80% between 2019 and 2024.

Between 2011 and 2019, about 20,000 rental housing units were completed and absorbed in Salt Lake County. According to the American Community Survey (US Census Bureau), a total of 38,162 households were added in Salt Lake County. Therefore, it appears that rental household represented 52% of all new household growth in the county.

Housing Prices

According to the Kem C. Gardner Policy Institute, median selling prices for all housing in Salt Lake County increased from \$365,000 in April 2020 to \$440,000 in April 2021, an increase of 20.5%. For single family homes, median prices increased from \$404,349 to \$515,000, an increase of 27.5%.

Median Sold Price, All Unit Types				
Geography	Apr. 2020	Apr. 2021	\$ Change	% Change
Salt Lake	\$365,000	\$440,000	\$75,000	20.5%
Davis	\$347,000	\$435,500	\$88,500	25.5%
Utah	\$349,900	\$438,943	\$89,043	25.4%
Weber	\$279,000	\$350,000	\$71,000	25.4%
Washington	\$328,750	\$450,000	\$121,250	36.9%
State of Utah	\$336,000	\$426,250	\$90,250	26.9%
<i>Source: UtahRealEstate.com</i>				

Median Sold Price, Single-Family Detached				
Geography	Apr. 2020	Apr. 2021	\$ Change	% Change
Salt Lake	\$404,348	\$515,000	\$110,652	27.4%
Davis	\$365,000	\$460,000	\$95,000	26.0%
Utah	\$384,088	\$500,500	\$116,413	30.3%
Weber	\$296,000	\$371,000	\$75,000	25.3%
Washington	\$365,000	\$492,000	\$127,000	34.8%
State of Utah	\$364,000	\$471,000	\$107,000	29.4%
<i>Source: UtahRealEstate.com</i>				

According to current information from the Wasatch Front Regional Multiple Listing Service, 19,343 homes were sold in Salt Lake County over the past year. Currently, there are only 999 homes for sale in Salt Lake County. This is equal to about 2.7 weeks of supply of listings.

The lack of available “for sale” housing has had a positive impact on demand for rental housing in the area. Considering current market conditions, it is projected that renter households will account for 60% of household growth between 2019 and 2025.

At an annual household growth rate of 1.80%, household growth is projected as follows:

SALT LAKE COUNTY PROJECTED RENTER HOUSEHOLD GROWTH 2019 TO 2025					
Year	Households	Growth	Homeowner Households	Renter Households	New Renter Households
2019	384,692	1.80%	258,772	125,920	-
2020	391,616	1.80%	261,542	130,075	4,155
2021	398,666	1.80%	264,361	134,304	4,229
2022	405,842	1.80%	267,232	138,610	4,306
2023	413,147	1.80%	270,154	142,993	4,383
2024	420,583	1.80%	273,129	147,455	4,462
2025	428,154	1.80%	276,157	151,997	4,542
<i>2019 Base Year figures derived from US Census Bureau, 2019 American Community Survey</i>					

As of 2025, there are projected to be 428,455 households in Salt Lake County, of which 151,997 (35.5%) will be renters.

SALT LAKE COUNTY SUPPLY AND DEMAND FOR APARTMENTS NEXT 42 MONTHS	
Current Occupancy (2021)	134,304
New Demand Within 42 Months	17,693
Total Demand April 2025	151,997
Current Supply (based on assumed 4.25% vacancy)	140,265
New Supply by April 2025	21,196
Total Supply - -April 2025	161,461
Estimated Vacancy Rate - - April 2025	5.9%

The data presented above indicates that the market vacancy rate should be expected to increase to about 5.9% by April 2025, as projected new supply will exceed projected new demand by about 3,503 units. However, the market is currently in tight conditions, with a market-wide vacancy rate of about 4.25%.

A +/- 6% vacancy rate is reflective of a market that is in balance. However, this performance will depend on trends in job creation and mortgage interest rates.

It is unlikely that all of the projects currently proposed for construction will actually be developed and completed over the next three years. However, it is possible that additional projects will be added to the pipeline.

Based upon the projects known to be in the current pipeline and utilizing the demand projections presented previously, the projected market-wide vacancy rate, based upon various levels of new apartment construction is presented below.

SALT LAKE COUNTY VACANCY RATE - - APRIL 2025 ASSUMING VARIOUS LEVELS OF APARTMENT DEVELOPMENT		
Percentage of Potential April 2022 and Later Starts Developed	April 2025 Supply	Market Vacancy Rate – April 2025
20%	160,020	5.0%
30%	160,740	5.4%
40%	161,461	5.9%
50%	162,182	6.3%
60%	163,903	6.7%
70%	163,624	7.1%
<i>Figures assume that all of the "under construction" and "likely starts next six months" will be developed. Potential Later than six month starts based on 20% to 70% development.</i>		

Depending on the number of proposed units that actually are constructed by April 2025, the market vacancy rate in Salt Lake County is expected to be between 5.0% and 7.1% by April 2025.

SUMMARY OF APARTMENT MARKET CONDITIONS

Over the past few years, apartment market conditions have improved in Salt Lake County. Vacancy rates declined and rental rates increased. Concessions have become rare. Current market-wide vacancy is about 4.25%.

According to CBRE, the average rental rate in Salt Lake County increased by 5.6% from 2018 to 2019 and 2.6% from mid-year 2019 to year-end 2019. Due to the COVID-19 pandemic, rental rates decreased 0.7% from year-end 2019 to mid-year 2020. However, rental rates increased 1.6% from mid-year 2020 to year-end 2020. According to Berkadia, average rental rates in the Salt Lake City metro increased 3.6% from 1st Quarter 2020 to 1st Quarter 2021. According to Moody's Analytics REIS, the average rental rate increased 0% from 2nd Quarter 2020 to 2nd Quarter 2021. According to Colliers International, the average second quarter 2021 rent was up 10.4% from one year prior. According to Wadsworth Commercial Real Estate, rental rates in Salt Lake County increased 11.7% from 2nd Quarter 2020 to 2nd Quarter 2021.

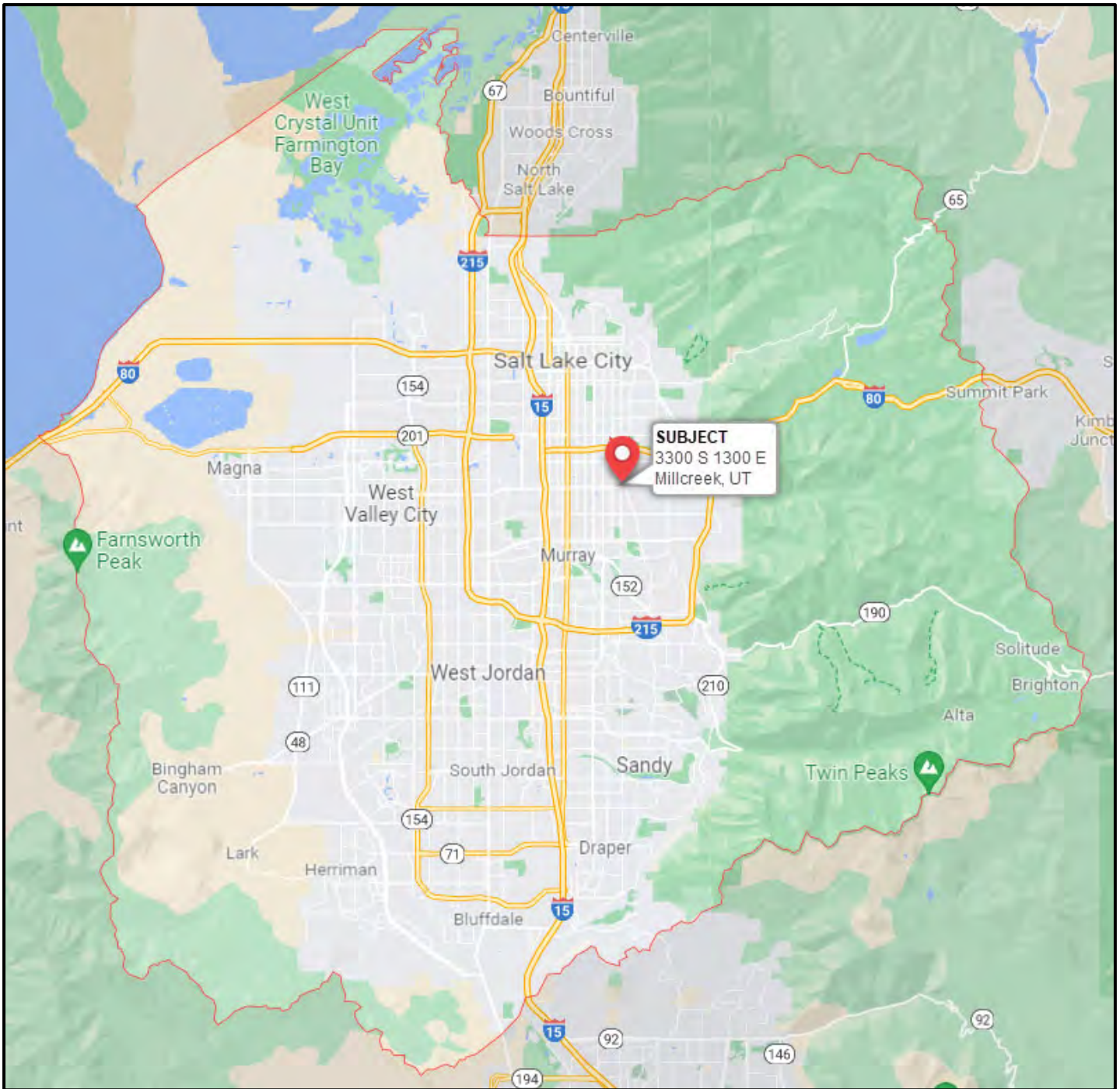
Strong demand and increasing rental rates have made construction of new apartments feasible. Current economic conditions have led to an increase in job creation. The number of households in Salt Lake County is expected to increase about 5.5% over the next three years.

The long-term outlook for rental housing in Salt Lake County is strong. Utah continues to experience the nation's highest birth rate. In addition, the state has experienced net-immigration. The unemployment rate is well below national averages. According to the American Legislative Exchange Council, Utah is ranked as the state with the best economic outlook.

Between 2011 and today, about 31,902 new apartment units were added to the market in Salt Lake County, adding about 29% to the supply. All of these new projects absorbed rapidly, and market-wide occupancy and rental rates have improved.

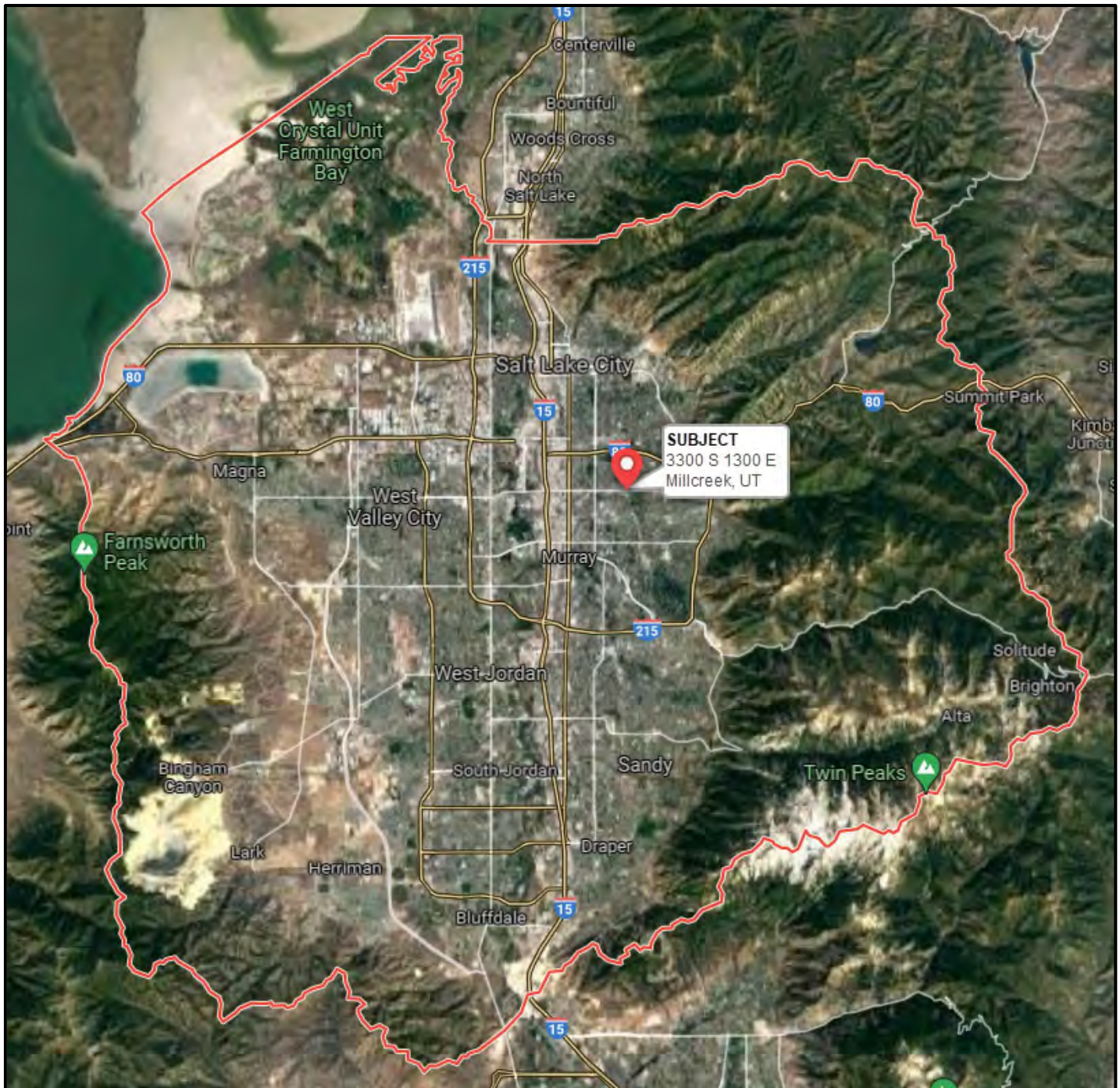
Substantial new construction is underway in Salt Lake County. Given current trends in construction and absorption, the average market vacancy rate is projected to be about 5.9% in 2025. A +/- 6 vacancy rate is reflective of a market that is healthy.

SALT LAKE COUNTY MAP



Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily

SALT LAKE COUNTY AERIAL PHOTO



CHARACTERISTICS OF THE PRIMARY MARKET AREA (MILLCREEK, SOUTH SALT LAKE AND SALT LAKE CITY)

The primary market area consists of the northeastern portion of Salt Lake County, which includes the cities of Salt Lake City, South Salt Lake and Millcreek. The boundaries of the primary market area are the political boundaries of those cities.

Accessibility

Interstate 15 is the major north/south freeway providing linkage to all the major population areas along the Wasatch Front. Freeway interchanges are located at 1300 South, 900 South, at 400 South, 500 South and 600 South.

Interstate-80 is the major east/west freeway in the area. Freeway Interchanges are located at Foothill Boulevard, 1300 East, 700 East, State Street, Redwood Road and Bangerter Highway.

Interstate-215 is a belt-route that passes through the western portion of the city. There are interchanges at 2100 South (U-201), Interstate-80 and 700 North.

Other major roadways in the city include 700 East, State Street, Foothill Boulevard, Highland Drive and 1300 East.

All major roads are publicly maintained. The streets are either asphalt or concrete paved and generally kept in good condition. The accessibility of the neighborhood is superior to many other neighborhoods in Salt Lake County.

Proximity

Most of Salt Lake City's professional community and governmental agencies are in or near the CBD. Utah's State Capitol Building is along State Street at 300 North. The historic City and County Building is at 400 South State Street. Several other attractions and developments in the neighborhood include The Salt Palace Convention Center; Abravanel Hall, home of the Utah Symphony; Temple Square, headquarters of the LDS Church; The Gateway, a regional mall; and the Energy Solutions Arena, home of the Utah Jazz. These facilities and others attract and serve a large segment of Salt Lake City's populous, and they add to the economic stability of the area.

Population

About 25% of the population of Salt Lake County resides in the Primary Market Area.

According to estimates provided by the State of Utah – Association of Governments, the population of Salt Lake City is projected to reach 210,592 by 2020 and 227,824 by 2030. The annual rate of increase from 2010 to 2020 is about 1.2%. The rate of growth from 2020 to 2030 is estimated at 0.8%.

The population of the city of South Salt Lake is projected to increase by 25.7% between 2010 and 2030.

The 2019 population of the city of Millcreek is estimated at 61,450. No further population estimates are available for Millcreek, as it was not incorporated until 2017.

POPULATION TRENDS 2010 TO 2060						
Area	2010	2020	2030	2040	2050	2060
Salt Lake City	186,440	199,723	227,824	229,985	233,031	234,704
South Salt Lake	23,617	26,777	29,693	31,287	33,454	35,327
Millcreek	-	-	-	-	-	-
Salt Lake County	1,029,655	1,185,238	1,340,665	1,507,997	1,659,566	1,812,891
State of Utah	2,774,283	3,271,616	3,914,984	4,570,433	5,257,239	5,965,658
<i>Source: State of Utah – Association of Governments & US Census Bureau</i>						

Land Use Characteristics

The Primary Market Area is a heavily-developed part of Salt Lake County and contains a variety of residential and commercial developments. These include high-rise office buildings, a regional shopping mall, low-rise office and retail buildings, convention and sports arenas, high-rise hotels, and high-density apartments and condominium projects.

Improvements in the neighborhood vary in age from the recently constructed to the historic buildings built over 100 years ago.

Employment

The largest employers based in the area are:

LARGEST EMPLOYERS		
Firm Name	Industry	Approximate Employment
University of Utah	Higher Education	15,000-19,999
Intermountain Health Care	Health Care	15,000-19,999
State of Utah	State Government	10,000-14,999
Granite School District	Education	7,000 – 9,999
University of Utah Hospital	Health Care	5,000-6,999
Federal Government	Federal Government	5,000-6,999
Salt Lake City School District	Public Education	3,000-3,999
Delta Airlines	Air Transportation	3,000-3,999
Zions Bank Management Services	Banking	3,000-3,999
Salt Lake City	Local Government	3,000-3,999
<i>Source: Utah Dept. of Workforce Services, Annual Averages</i>		

Public Transportation

The area is serviced by local bus lines, a light-rail system, and a commuter rail system. Bus lines connect other areas of the community with the rail stations.

The TRAX light rail system connects the downtown area with Salt Lake City's southern suburbs, the University of Utah, West Valley City and South Jordan. The Green line connects downtown Salt Lake City to the Salt Lake International Airport and to West Valley City. Red Line connects the University of Utah with downtown Salt Lake City and then to Daybreak in the southwestern part of Salt Lake County. The Blue Line connects downtown Salt Lake City to Draper. The Green line connects downtown Salt Lake City to the Salt Lake International Airport and West Valley City.

The S-Line is a streetcar line that connects the TRAX line with the Sugar House business district.

The nearest TRAX station is Millcreek Station, about 2.8 miles west of the site. The S-Line is accessible at Sugarmont Drive, about 1.9 miles northwest of the site. The S-Line connects with the TRAX system at that station.

Frontrunner, a commuter rail system, connects downtown Salt Lake City to Davis and Weber Counties to the north and Provo on the south, a distance of about 95 miles. The nearest commuter rail station is located at the Murray Central Station, about 5 miles southwest of the site. It connects the light rail system, local bus lines, national bus service, and the commuter rail line.

The transportation system provides residents with very good public transportation access to other areas of the Salt Lake Valley.

CITY CENTER MASTER PLAN

The site is part of an approximately 100-acre area that is part of the recently proposed Millcreek City Center Master Plan, which seeks to create a vibrant city center and encourage walkability in an area which currently includes large parking lots and aging commercial buildings. The site is located in the City Marketplace portion of the Master Plan, which, per the Master Plan, “is meant to serve as an active zone where residents achieve their essential shopping needs along a major community thoroughfare....this area of the plan is where large commercial land uses are to be expected.” Other districts in the City Center Plan include the Neighborhood District (“transitional in nature, stepping up the density of single-family homes to multifamily units and serve as a walkable north-south gateway to more development-intensive parts of the City Center”) and Millcreek Center (“the project area’s focal point,” which will have the greatest mass and development intensity, will be home to the City’s Civic Facilities and “will be the part of town where people can go every weekend because they know something is going on”). Millcreek Center includes Mill Park, a large proposed open space.

The site falls under the jurisdiction of the city of Millcreek and has been zoned C-2 (Commercial Moderate Intensity). The proposed Millcreek Overlay zone will allow for higher density development. For the purposes of this appraisal, it has been assumed that Millcreek will allow development of the project as outlined herein.



CONCLUSIONS

The Primary Market Area consists of Salt Lake City and its bordering cities that comprise the economic, social and government center for a region that includes Utah as well as portions of Idaho, Wyoming and Nevada.

The area is in a growth stage, with a large number of new residential developments underway. Most often, outdated retail, commercial or industrial developments are razed to make way for modern rental housing.

Renter households in the city tend to be younger and smaller than are found in Salt Lake County as a whole.

SUMMARY OF NEIGHBORHOOD CHARACTERISTICS				
Characteristic	Good	Average	Fair	Poor
Employment Stability of Immediate Location	X			
Convenience to Employment Centers	X			
Protection from Detrimental Conditions		X		
Adequacy of Shopping Facilities	X			
Adequacy of Public Transportation	X			
Adequacy of Utilities	X			
Police and Fire Protection	X			
Recreational Facilities	X			
Property Compatibility	X			
General Appearance of Properties	X			
Appeal to Market	X			

SITE DESCRIPTION

The subject site consists of 1.76 acres (+/- 76,537 square feet) and is nearly level at street grade. It is located on the southeast corner of 3300 South and 1300 East. The site is proposed for development with a 278 unit market-rent apartment project.

The site is described in detail as follows:

Location:	Southeast corner of 3300 South and 1300 East
Shape:	Irregular
Size:	1.76 acres (+/- 76,537 square feet)
Frontage:	417.71 feet along the south side of 3300 South. 91.25 feet along the east side of 1300 East.
Topography:	Generally level
Drainage:	Natural drainage is westerly
Soil:	No geotechnical engineering study was available for review. Similar nearby sites are developed with large structures. Therefore, it has been assumed that soil conditions are sufficient to support development of the site.
Environmental Conditions:	No negative environmental conditions are known to exist.
Access:	The site is easily accessible via 3300 South and 1300 east, both of which are major traffic arteries. The Interstate-15 freeway is accessible via 3300 South, within 2.25-miles of the site. I-80 is accessible via 1300 east, within two miles of the site. The site has reasonable freeway access.
Visibility:	The site has good visibility from bordering roadways.
Utilities and Services:	All utilities and services are available to the site.
Flood Zone:	The property is located in a federally designated flood hazard Zone X as shown on FEMA map #49035C0303G, dated September 25, 2009. . This is an area with minimal potential for flooding.
Easements and Rights-of-Way:	It has been assumed that public utility easements have been granted to those utilities which service the property, and that there are no other unapparent easements or rights-of-way.

Development Potential:	Good. The site is considered to be 100% developable.
Present Improvements:	The site is vacant; no improvements exist upon the site.
Surrounding Land Uses:	Apartments, offices and commercial buildings.
Zoning:	The site falls under the jurisdiction of the city of Millcreek and has been zoned C-2 (Commercial). Multifamily housing is a conditional use in this zoning, as part of a mixed-use development.

AERIAL PHOTOS OF SITE



Looking Northerly at the Site



Looking Northwesterly at the Site



Looking Westerly at the Site



Looking Southwesterly at the Site



Looking Southerly at the Site



Looking Southeasterly at the Site



Looking Easterly at the Site



Looking Northeasterly at the Site

SITE PHOTOGRAPHS



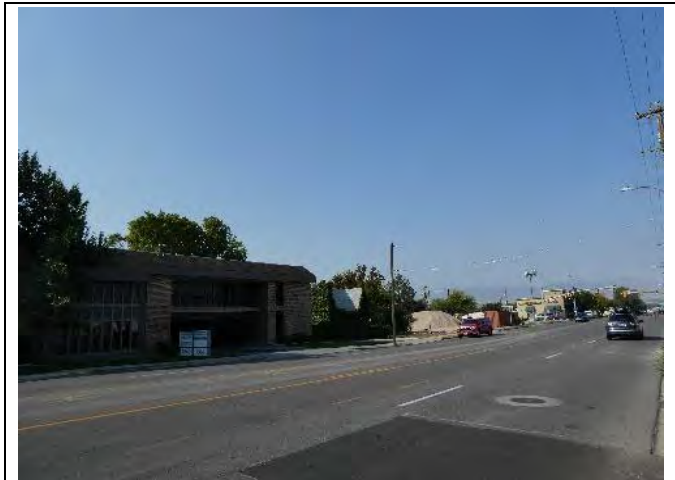
Looking Easterly Across Site



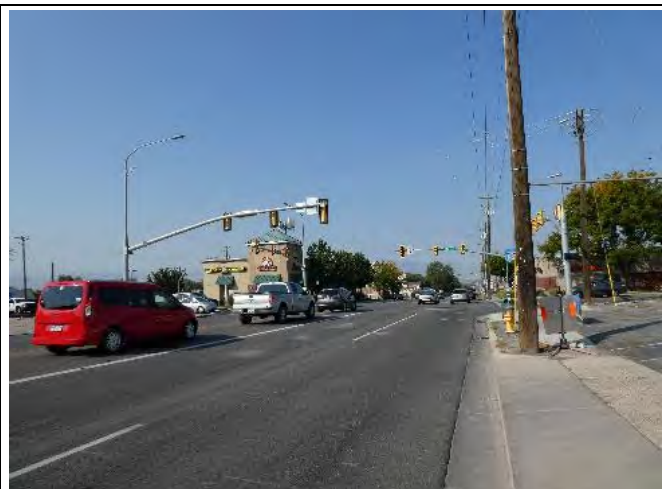
Looking Southeasterly Across Site



Looking Southerly Across Site



Looking Southwesterly Across Site



**Street View: 3300 South Looking Westerly
(Site is at Left)**



**Street View: 3300 South Looking Easterly
(Site is at Right)**



**Street View: 1300 East Looking Southerly
(Site is at Right)**

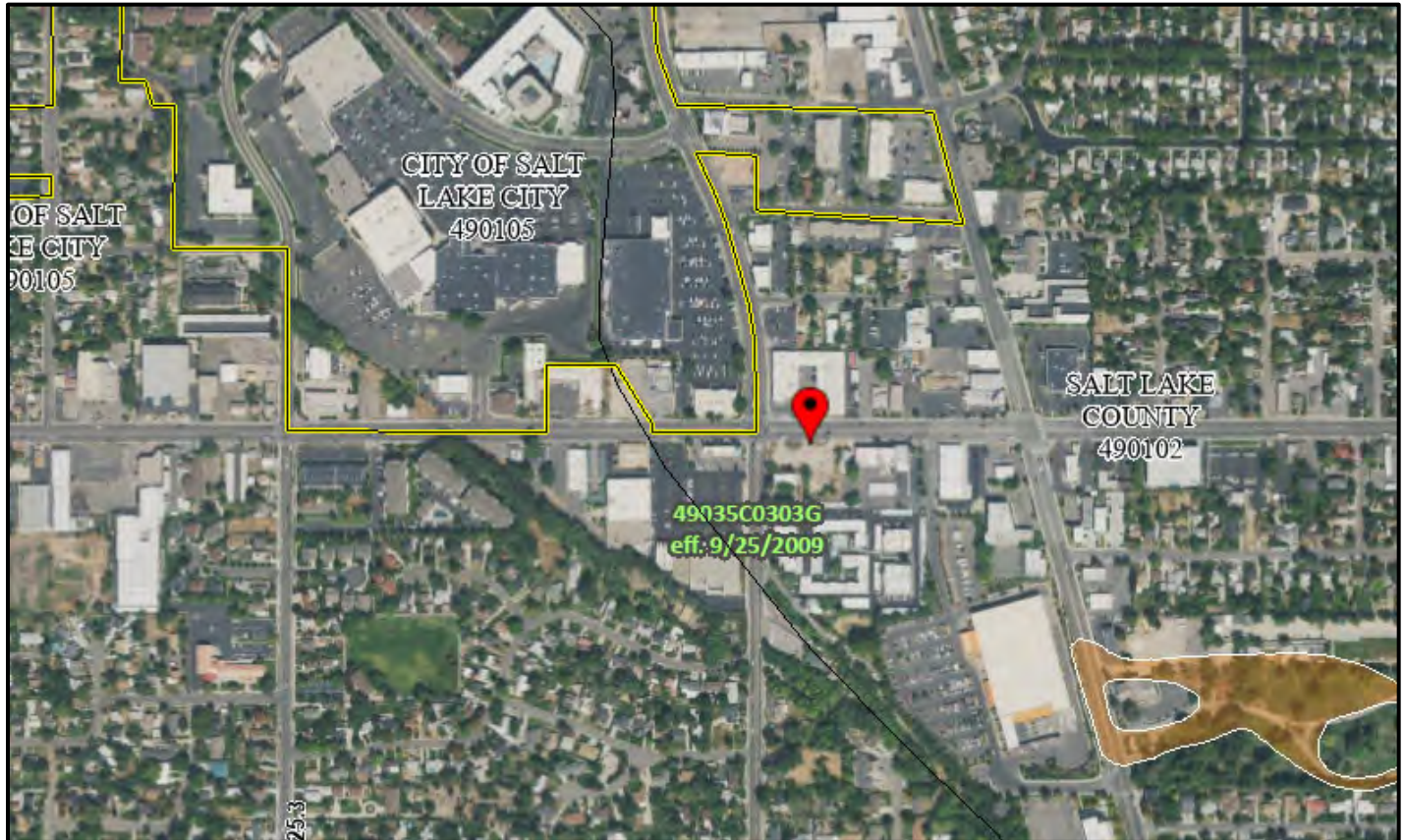


**Street View: 1300 South Looking Northerly
(Site is at Right)**

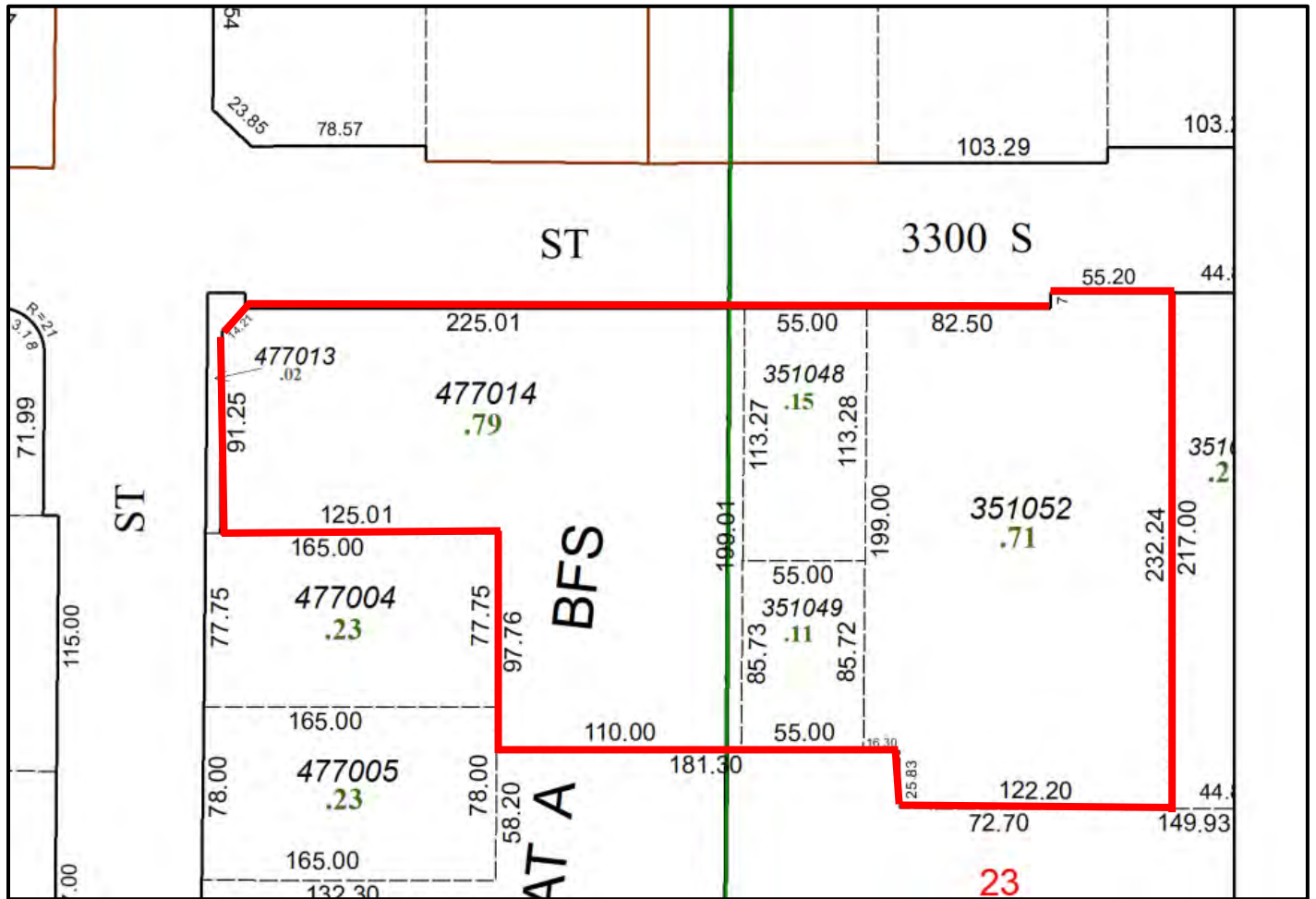
FLOOD MAP

Flood features near Southeast Corner of 3300 South and 1300 East, Millcreek, Utah
84106

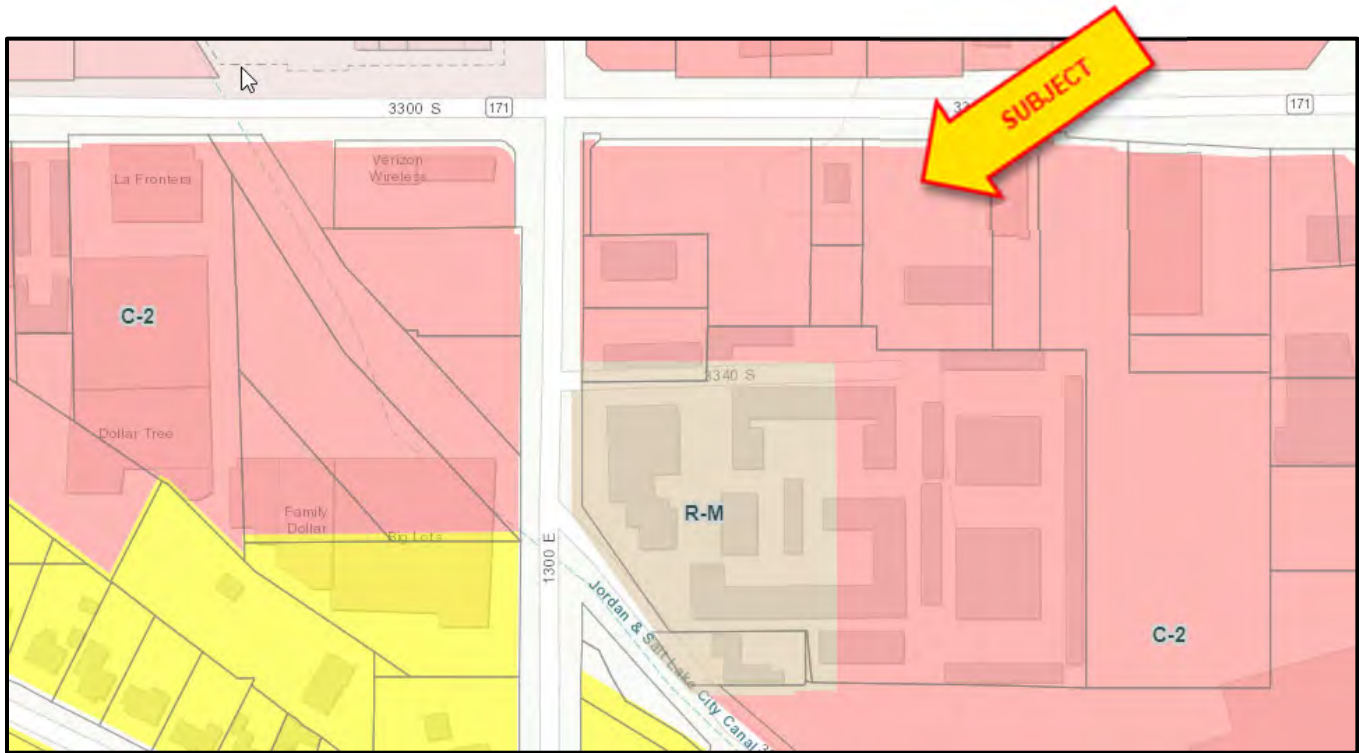
COMMUNITY	PANEL	ZONE	DATE
49035C	0303G	X	09/25/2009



ZONES	DEFINITION
Flood Zone X	Areas determined to be outside 500-year floodplain determined to be outside the 1% and 0.2% annual chance floodplains.

PLAT MAP

ZONING MAP



HIGHEST AND BEST USE

The purpose of this report is to form an opinion of the value for a 1.76-acre parcel of land located at Southeast Corner of 3300 South and 1300 East, Millcreek, Utah. The highest and best use analysis identifies the most profitable, competitive use to which the property can be put.

Highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."⁶

Two steps are involved in determining highest and best use. The site is first analyzed as if it were vacant and then analyzed considering the proposed improvements. The following criteria are used to determine highest and best use:

- ***Is the proposed use legally permissible.***
- ***Is the proposed use physically possible.***
- ***Is the proposed use economically and financially feasible under existing market conditions.***
- ***Is the proposed use estimated to result in the highest land value (maximally productive).***

Highest and best use refers to a determined use for the land that develops the highest return over a prolonged period of time. An analysis of the subject property was conducted based on the aforementioned criteria.

⁶ The Appraisal of Real Estate, Appraisal Institute, 12th Edition, 2001; p.305.

HIGHEST AND BEST USE OF THE SITE AS THOUGH VACANT

Legally Permissible

There are generally two areas of concern regarding legally allowable improvements to a property. The first is title or deed restrictions, which can limit the potential uses of a property. The second is zoning ordinances, which often limit both the type and size of development constructed on a site. No deed restrictions, or rights-of-way are believed to exist that restrict the development of the parcel. There are numerous easements that exist upon the subject site; however, they serve to promote, not to inhibit, development of the subject site.

Potential uses are limited to permissible and legal uses allowed by the prevailing C-2 zoning. As met the Millcreek municipal code - - *The C-2 zoning is to provide areas for large-scale commercial development.*

For the purpose of this appraisal, it has been assumed that the city of Millcreek will allow development of the proposed 278-unit apartment project.

Physically Possible

The land is suitable for the legally permissible uses. The parcel has adequate access along and wide frontage on public roadways. Environmental and soil conditions are believed to be adequate to support development.

Financially Feasible

The highest and best use is determined by the type of improvements capable of achieving the highest net return, or the most economically feasible development. For example, the value of vacant land generally increases as its density of use increases. It follows that the highest and best use of vacant land is generally for development of the highest density permitted and possible, subject to economic limitations.

Market trends would indicate that multifamily residential development would be financially feasible at this time.

Maximally Productive Use Conclusion

The site is suitable for multifamily residential development. The current intended use is for development with a 278-unit market rent apartment project.

VALUATION SECTION

LAND VALUATION

A search was conducted for market data pertaining to recent sales of land with utility similar to the subject. The areas focused upon in the analysis of the sales included the property rights transferred, the financing terms of each sale, any special conditions or restrictions of the sale and changing market conditions that result in an increase or decrease in value over time. After adjustments are made for those factors, other adjustments are made to reflect differences between the subject and the comparable for such factors as zoning restrictions, location and physical factors.

The highest and best use of the site is for high-density multifamily residential development. Recent sales of similar site have been considered. The search for comparable data was concentrated in surrounding neighborhood.

The unit of comparison will be the selling price per unit developable and the selling price per square foot.

Land Sale 1

Identification

Location:	3055 South Richmond Street
City/State:	Salt Lake City, Utah
A.P. Numbers:	16-29-281-011; 012; 013
Property Rights:	Fee simple
Proximity to Subject:	0.3 miles north

Land Description

Size:	0.77 acres (33,550 square feet +/-)
Units Developable:	+/- 95 units, plus 4,000 of office / retail
Planned Density:	123 units per acre
Configuration:	Nearly rectangular
Frontage:	165 feet on Richmond Street. 221 feet on Villa Vista Avenue (Gunn Avenue)
Zoning:	C-3
Jurisdiction:	Millcreek
Topography:	Generally level and at street grade.
Utilities:	All available and adequate.
Flood Plain:	No (Zone X)

Transaction

Date of Sale:	7/21
Sales Price:	\$3,300,000
Other Known Costs:	\$30,000 in demolition (estimate)
Terms:	Cash to seller
Cash Equivalent Sales Price:	\$3,330,000
Grantor:	Karey A. Bagley; Lody Whitear; Kris W. Fidone
Grantee:	CW Jasper, LLC

Units of Comparison

Price/Square Foot:	\$99.25
Price Per Unit:	\$35,053

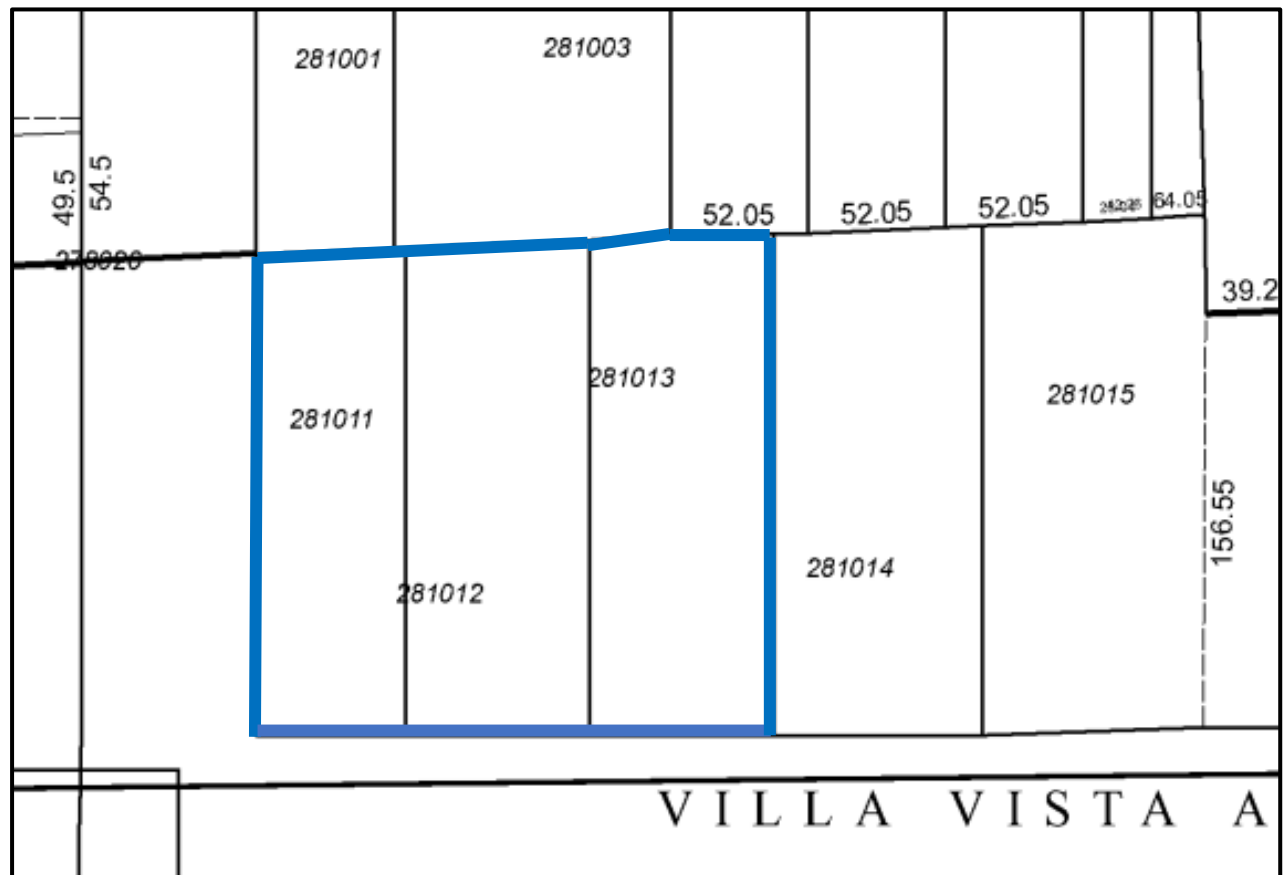
Confirmation

Tyler Morris, buyer

Remarks

3 parcels assembled for development of a +/- 95 unit apartment project.

This site falls within the Millcreek City Center Master Plan and is located within an Opportunity Zone.



Land Sale 2

Identification

Location:	850 East 2100 South
City/State:	Salt Lake City, Utah
A.P. Number	16-20-129-023
Property Rights:	Fee simple
Proximity to Subject:	2.9 miles northwest

Land Description

Size:	2.99 acres (130,244 square feet)
Configuration:	Somewhat irregular
Frontage:	329.06 feet on 2100 South
Zoning:	CG
Units Planned:	275
Anticipated Density:	92 units per acre
Jurisdiction:	Salt Lake City
Topography:	Nearly level and at street grade.
Utilities:	All available and adequate.
Flood Plain:	No

Transaction

Date of Sale:	7/20
Sales Price:	\$14,350,000
Other Known Costs:	None
Terms:	Cash to seller
Cash Equivalent Sales Price:	\$14,350,000
Grantor:	Sugarhouse Village, LLC
Grantee:	HDHH, LLC

Units of Comparison

Price/Square Foot:	\$110.18
Price Per Unit:	\$52,182

Confirmation

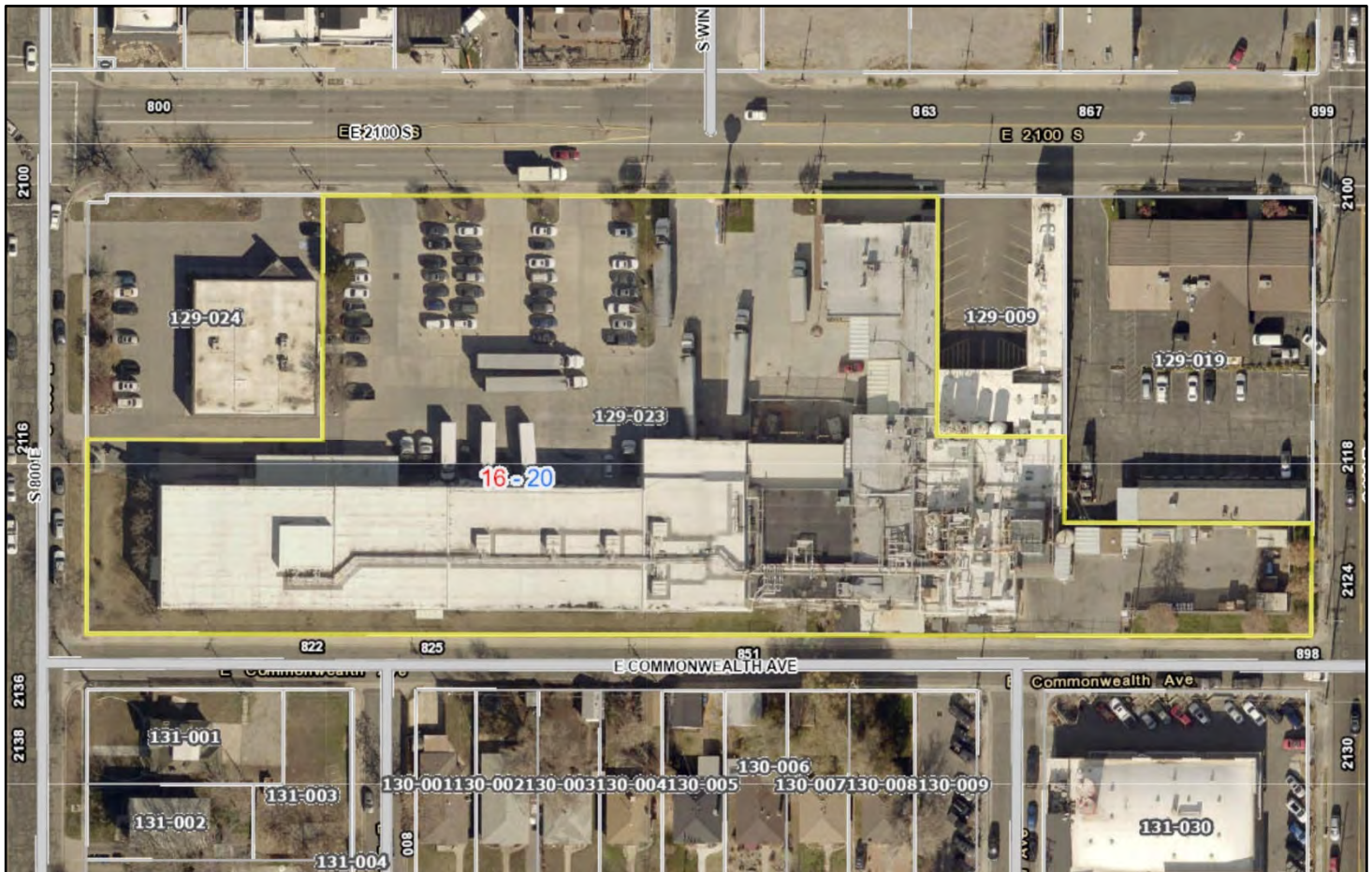
Kip Paul, Broker

Remarks

Purchased for development of a 275-unit market rent apartment building that borders the S-Line light rail.

This site is located in the south portion of Salt Lake City, in the Sugar House district, a desirable multifamily area.

This site is not within an Opportunity Zone.



Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily

Land Sale 3

Identification

Location:	1121 & 1132 East Ashton Avenue
City/State:	Salt Lake City, Utah
A.P. Numbers:	16-20-253-002
Property Rights:	Fee simple
Proximity to Subject:	1.6 miles north

Land Description

Size:	1.82 acres (79,279 square feet)
Units Developable:	354
Planned Density:	195 units per acre
Configuration:	Somewhat Irregular
Frontage:	Wide frontages on 1100 East and Ashton Avenue.
Zoning:	CSHBD/1
Jurisdiction:	Salt Lake City
Topography:	Generally level and at street grade.
Utilities:	All available and adequate.
Flood Plain:	No (Zone X)

Transaction

Date of Sale:	2/21
Sales Price:	\$12,500,000
Other Known Costs:	\$250,000 in demolition (estimate)
Terms:	Cash to seller
Cash Equivalent Sales Price:	\$12,750,000
Grantor:	Fit (UT) QRS 14-92 Inc
Grantee:	Salt Lake City Properties 1, LLC

Units of Comparison

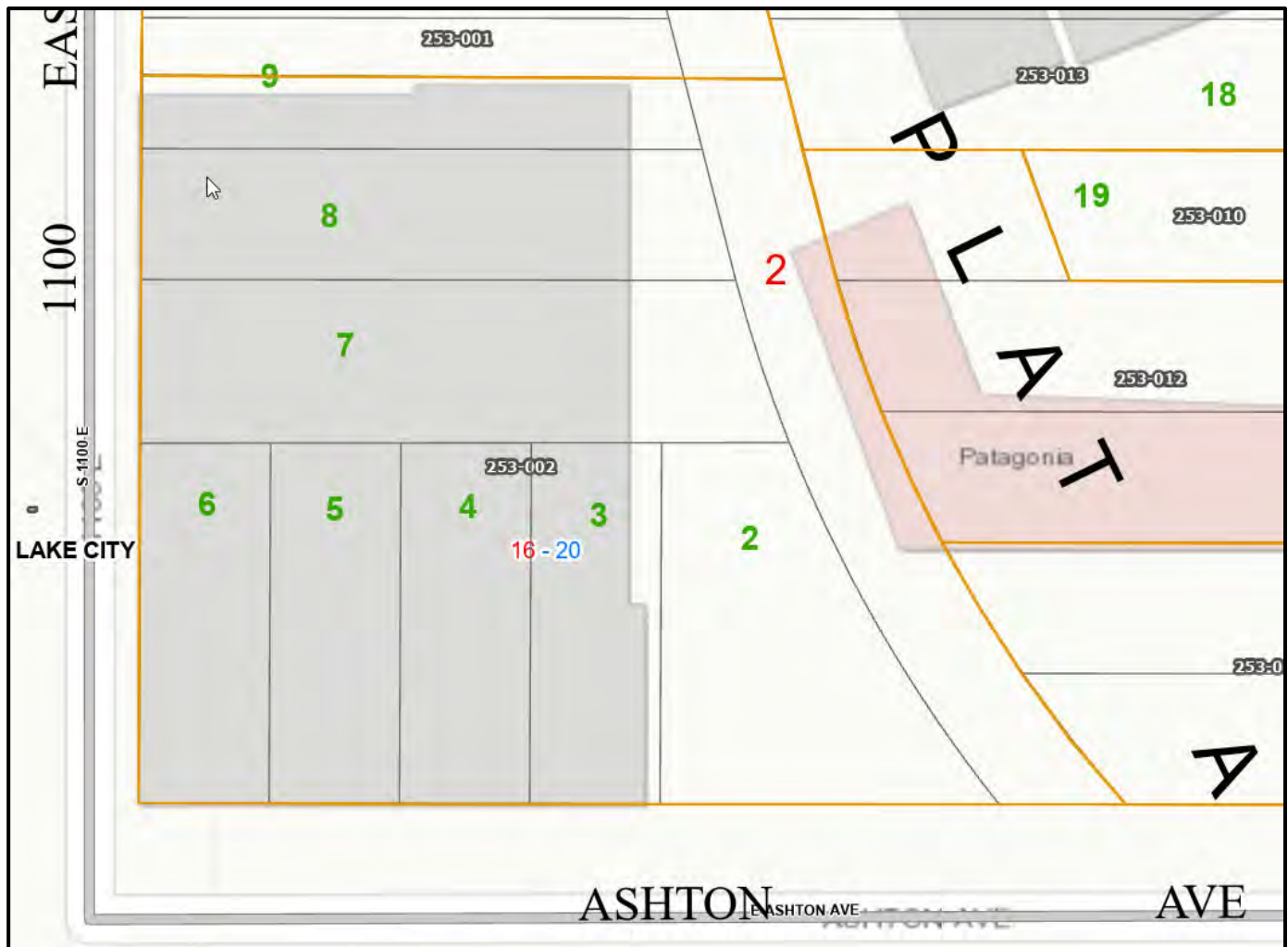
Price/Square Foot:	\$160.82
Price Per Unit:	\$36,017

Confirmation

Kip Paul, broker

Remarks

24-Hour Fitness site. Planned for development of a 354 unit apartment project.
This site is not within an Opportunity Zone.



Land Sale 4

Identification

Location:	3092 South Highland Drive
City/State/Zip Code:	Millcreek, Utah 84106
A.P. Number	16-29-428-016
Property Rights:	Fee simple
Proximity to Subject:	0.5 miles northeast

Land Description

Size:	2.33 acres (101,495 square feet)
Configuration:	Irregular
Frontage:	492.77 feet on Gunn Avenue 215.09 feet along Richmond Street
Zoning:	C-3 (Commercial)
Units Planned:	328 units
Anticipated Density:	141 units per acre
Jurisdiction:	Millcreek
Topography:	Nearly level and at street grade
Utilities:	All available and adequate.
Flood Plain:	No

Transaction

Date of Sale:	4/19
Sales Price:	\$7,300,000
Other Known Costs:	None
Terms:	Cash to seller
Cash Equivalent Sales Price:	\$7,300,000
Grantor:	Atlas Ventures, LLC
Grantee:	Cottonwood at Brickyard, LLC

Units of Comparison

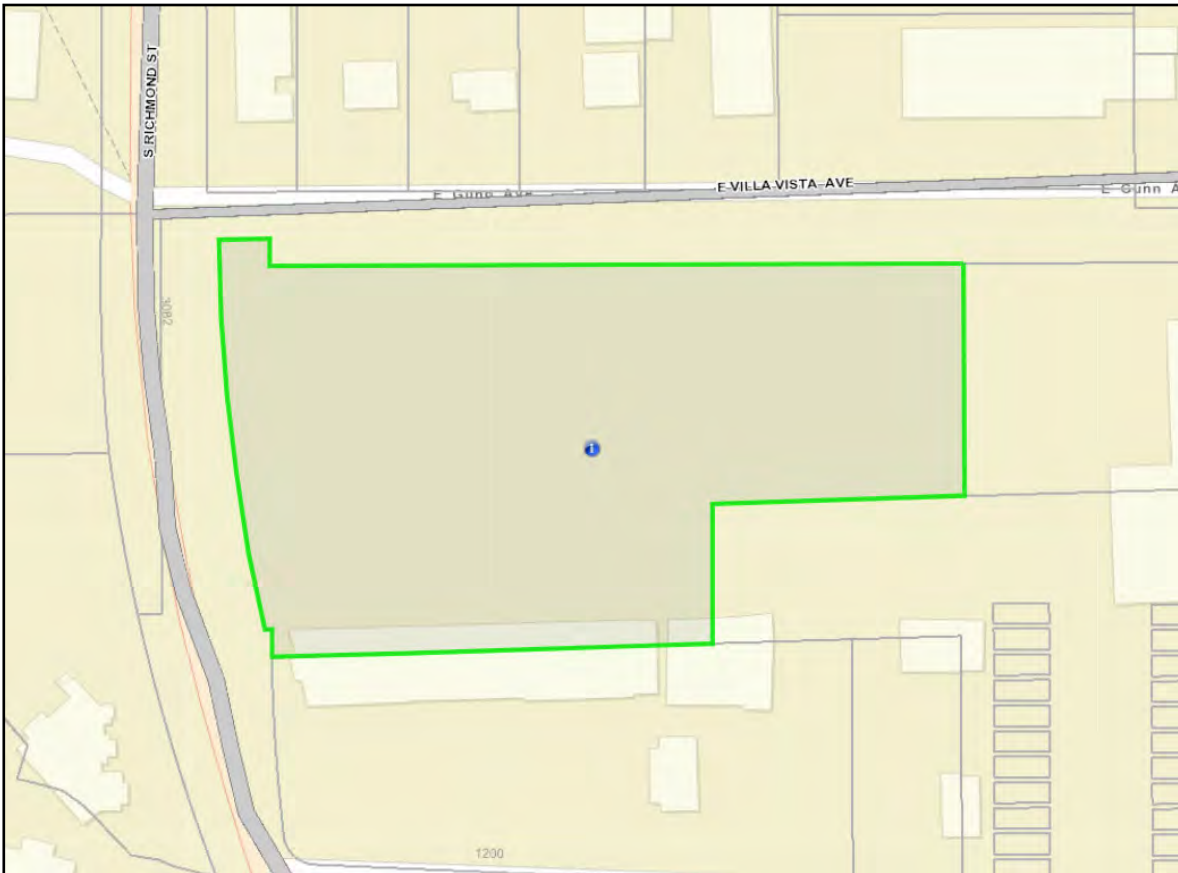
Price/Square Foot:	\$71.92
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Confirmation

Ryan Heath, Buyer (Cottonwood Residential)

Remarks

Sale high density sale near the subject.
 Planned for development of the Richmond, a 328-unit apartment building.
 The developer for the project is Cottonwood Residential.
 This site falls within the Millcreek City Center Master Plan and is located within an Opportunity Zone.



Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily

Land Sale 5

Identification

Location:	3330 & 3350 South Highland Drive
City/State/Zip Code:	Millcreek, Utah 84106
A.P. Number	16-28-351-024; 025; 026
Property Rights:	Fee simple
Proximity to Subject:	0.2 miles southeast

Land Description

Size:	1.41 acres (61,420 square feet)
Configuration:	Irregular
Frontage:	341.63 feet on Highland Drive
Zoning:	C-2 (Commercial)
Units Planned:	170 units
Anticipated Density:	121 units per acre
Jurisdiction:	Millcreek
Topography:	Nearly level and at street grade
Utilities:	All available and adequate.
Flood Plain:	No

Transaction

Date of Sale:	12/18 & Pending
Sales Price:	\$3,750,000 (12/18 Sale) \$2,000,000 (Pending Sale)
Other Known Costs:	None
Terms:	Cash to Seller
Cash Equivalent Sales Price:	\$5,750,000
Grantor:	Slater, Linda S Slater, Robert A; HDP Enterprises, LLC
Grantee:	Four Seasons Apartment

Units of Comparison

Price/Square Foot:	\$93.62
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Confirmation

Russ Sorenson (Four Seasons), Buyer

Remarks

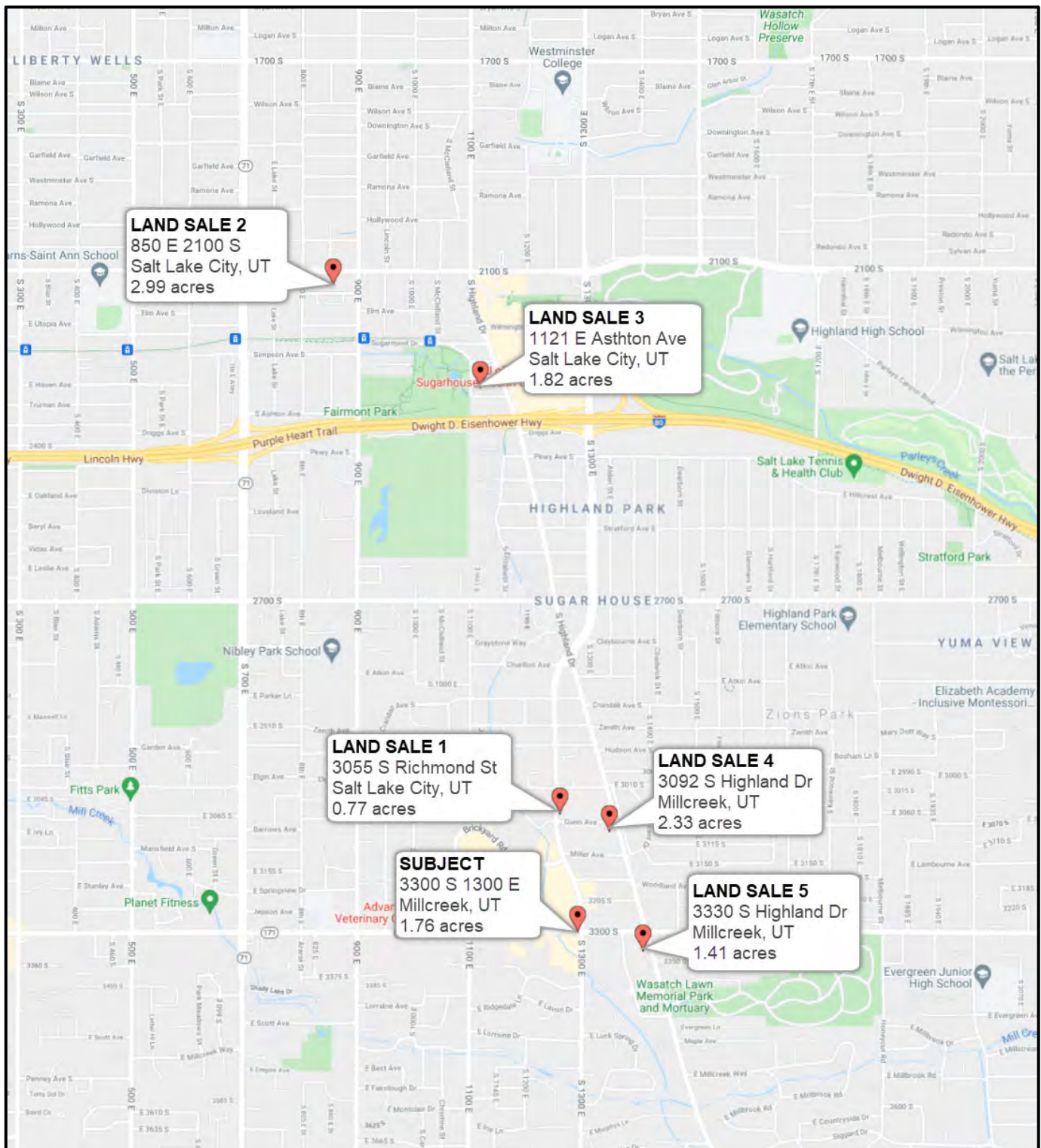
The southernmost parcel of the three is still a pending sale.
Planned for development of the Richmond, a 170-unit building with potential retail.
The developer plans to sell the units individually, as condominiums.
The subject along with this sale fall within the Millcreek City Center Master Plan, however, it is not within an Opportunity Zone.



SUMMARY OF THE LAND SALES

No.	Address	Date of Sale	Size/ Acres	Units/ Acre	Sales Price	Price / Unit	Price / Sq.Ft.
1	3055 South Richmond Street	7/21	0.77	123	\$3,330,000	\$35,053	\$99.25
2	850 East 2100 South	7/20	2.99	275	\$14,350,000	\$52,182	\$110.18
3	1121 & 1132 East Ashton Avenue	2/21	1.82	354	\$12,750,000	\$36.017	\$160.82
4	3092 South Highland Drive	4/19	2.33	141	\$7,300,000	\$22,256	\$71.92
5	3330 & 3350 South Highland Drive	12/18 & Pend	1.41	121	\$5,750,000	\$33,824	\$93.62

COMPARABLE LAND SALES MAP



**Southeast Corner of 3300 South and 1300 East - - Site Appraisal
Western States Multifamily**

SEC 3300 South & 1300 East		PRICE PER UNIT DEVELOPABLE				
Sale Number	SUBJECT	1	2	3	4	5
Address	SEC 3300 South & 1300 East	3055 South Richmond Street	850 East 2100 South	1121 & 1132 East Ashton Avenue	3092 South Highland Drive	3330 & 3350 South Highland Drive
Selling Price		\$3,330,000	\$14,350,000	\$12,750,000	\$7,300,000	\$5,750,000
Date of Sale		Jul-21	Jul-20	Feb-21	Apr-19	Dec-18
Size / Acres	1.760	0.770	2.99	1.820	2.33	1.41
Units Developable	278	95	275	354	328	170
Price Per Unit		\$35,053	\$52,182	\$36,017	\$22,256	\$33,824
Adjustments						
Property Rights		\$0	\$0	\$0	\$0	\$0
Adjusted Price		\$35,053	\$52,182	\$36,017	\$22,256	\$33,824
Financing Terms		\$0	\$0	\$0	\$0	\$0
Condition of Sale		\$0	\$0	\$0	\$0	\$0
Normal Sales Price		\$35,053	\$52,182	\$36,017	\$22,256	\$33,824
Market Conditions (Time)		1%	6%	3%	12%	14%
Time Adjusted Price		\$35,345	\$55,226	\$37,067	\$24,945	\$38,474
Comparison to the Subject						
Zoning	C-2	Multiple Family	CG	CSHBD/1	C-3	C-2
Density Per Acre	158	123	92	195	141	121
Location	Good	Equal	Superior	Superior	Equal	Equal
Topography / Configuration	Flat / Irregular	Equal	Equal	Equal	Equal	Equal
Utilities / Improvements	All	Equal	Equal	Equal	Equal	Equal
Entitlements / Zoning	All	Equal	Equal	Equal	Equal	Equal
Other Factors	None	Opportunity Zone	Equal	Equal	Opportunity Zone	Equal
Adjustments						
Density		-14%	-26%	15%	-7%	-15%
Physical Factors						
Location		0%	-15%	-30%	0%	0%
Size		0%	0%	0%	0%	0%
Topography / Configuration		0%	0%	0%	0%	0%
Utilities / Improvements		0%	0%	0%	0%	0%
Entitlements / Zoning		0%	0%	0%	0%	0%
Other Factors		-20%	0%	0%	-20%	0%
Adjusted Price Per Unit		\$23,328	\$32,583	\$31,507	\$18,210	\$32,703
Total Percentage Change		-33.45%	-37.56%	-12.52%	-18.18%	-3.31%
Adjusted Value Range		Low	\$18,210		High	\$32,703
Relative Weight		30%	20%	25%	15%	10%
Indicated Value		\$27,394	Per Unit		Rounded	\$27,400

SEC 3300 South & 1300 East		PRICE PER SQUARE FOOT				
Sale Number	SUBJECT	1	2	3	4	5
Address	SEC 3300 South & 1300 East	3055 South Richmond Street	850 East 2100 South	1121 & 1132 East Ashton Avenue	3092 South Highland Drive	3330 & 3350 South Highland Drive
Selling Price		\$3,330,000	\$14,350,000	\$12,750,000	\$7,300,000	\$5,750,000
Date of Sale		Jul-21	Jul-20	Feb-21	Apr-19	Dec-18
Size / Acres	1.760	0.77	2.990	1.82	2.33	1.410
Units Developable	278	95	275	354	328	170
Price Per Acre		\$99.28	\$110.18	\$160.82	\$71.92	\$93.62
Adjustments						
Property Rights		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Price		\$99.28	\$110.18	\$160.82	\$71.92	\$93.62
Financing Terms		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Condition of Sale		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Normal Sales Price		\$99.28	\$110.18	\$160.82	\$71.92	\$93.62
Market Conditions (Time)		1%	6%	3%	12%	14%
Time Adjusted Price		\$100.11	\$116.60	\$165.51	\$80.62	\$106.49
Comparison to the Subject						
Zoning	C-2	Multiple Family	CG	CSHBD/1	C-3	C-2
Density Per Acre	158	123	92	195	141	121
Location	Good	Equal	Superior	Superior	Equal	Equal
Topography / Configuration	Flat / Irregular	Equal	Equal	Equal	Equal	Equal
Utilities / Improvements	All	Equal	Equal	Equal	Equal	Equal
Entitlements	All	Equal	Equal	Equal	Equal	Equal
Other Factors	None	Opportunity Zone	Equal	Equal	Opportunity Zone	Equal
Adjustments						
Density		14%	26%	-15%	7%	15%
Physical Factors						
Location		0%	-15%	-30%	0%	0%
Size		0%	0%	0%	0%	0%
Topography / Configuration		0%	0%	0%	0%	0%
Utilities / Improvements		0%	0%	0%	0%	0%
Entitlements		0%	0%	0%	0%	0%
Other Factors		-20%	0%	0%	-20%	0%
Adjusted Price Per Acre		\$94.10	\$129.43	\$91.03	\$70.14	\$122.46
Total Percentage Change		-5.22%	17.48%	-43.40%	-2.49%	30.81%
Adjusted Value Range		Low	\$70.14		High	\$129.43
Relative Weight		30%	20%	25%	15%	10%
Indicated Value		\$99.64	Per Sq.Ft.		Rounded	\$100

CORRELATION AND ADJUSTMENT OF LAND SALES

Correlation

Each of the sales listed above was made for cash or equivalent terms and the property rights transferred were those associated with the fee simple interest. Each was an arms-length transaction between a willing buyer and seller. Adjustments were made as indicated in the grid on the previous page. The adjustments are explained as follows:

Property Rights Conveyed

Each of the sales included the transfer of a fee simple title. No adjustments were required for this factor.

Financing Terms and Conditions of Sale

Each of the sales was cash equivalent, with no unusual conditions. No adjustments were made for this factor.

Market Conditions

The search for market data was extended to the past 3 years. The market for multifamily sites has been improved over that period. An adjustment of 5% per year has been made to the comparable sales.

ADDITIVE ADJUSTMENTS

Zoning / Density

Higher-density sites typically sell for more "per square foot" than do lower-density sites. Conversely, higher-density sites typically sell for less "per unit" than do lower density sites.

The subject is to be developed at a density of 158 units per acre. The planned densities of the sold sites ranged from 92 to 195 units per acre. Sites with lower densities per unit required negative adjustments in the "per unit" grid and positive adjustments in the "per square foot" grid. Sites with higher densities per unit required positive adjustments in the "per unit" grid and negative adjustments in the "per square foot" grid.

Physical Factors

Location

The subject is located in the central portion of the city of Millcreek, part of the Millcreek Center CRA. It is within walking distance to shopping and services. The planned Millcreek City Center and its parkway are to be located north of the site.

Sales 1, 4 and 5 are located near the subject, also in the Millcreek Center CRA. They are equal to the subject in location.

Sale 2 is located on 2100 South, in the Sugar House area. However, it is west of the most heavily developed commercial and residential sector of Sugar House. It is superior to the subject in location.

Sale 3 is located just west of Highland Drive, in the Sugar House area. It is near shopping, services and Fairmont Park. It is superior to the subject in location.

Size

The subject contains 1.76 acres. The sold properties ranged from 0.77 to 2.99 acres in size. Smaller parcels typically sell for more per unit than do larger parcels. However, it is difficult to assemble sites for large apartment developments, therefore, no adjustments were made for this factor.

Topography / Configuration

The subject and each of the comparable sales are nearly level and reasonably configured. No adjustments were required for this factor.

Utilities / Improvements

Each of the sales had all utilities and street improvements to the site. No adjustments were required for this factor.

Entitlements

All of the comparables were zoned for the intended use. Entitlements were to be obtained for the specific development plans at the expense of the buyers.

LAND VALUE CONCLUSION

Prior to adjustment, the range of selling prices per unit was \$22,256 to \$52,182. After making the necessary adjustments, the range of value per square foot is \$18,210 to \$32,703.

Prior to adjustment, the range of selling prices per square foot was \$71.92 to \$160.82. After making the necessary adjustments, the range of value per square foot is \$70.14 to \$129.43.

The most weight was assigned to the most recent sales.

The value indications are as follows:

Land Value

278	Units Developable	X	\$27,400	=	\$7,617,200
76,537	Square Feet	X	\$100	=	\$7,666,500

The value indications are fairly close and accurately reflect the analysis of market participants. Therefore, a land value of **\$7,650,000** is concluded.

RECONCILIATION AND FINAL OPINION OF VALUE

Reconciliation is the final step in the valuation process at which the different value conclusions are analyzed and a final value opinion is selected from among the different indications of value. Each value indication is weighed according to its significance, applicability, and defensibility, and the most weight is given to that approach which is most appropriate to the appraisal's purpose.

The Sales Comparison Approach was utilized to form an opinion of market value for the site.

Therefore, after analyzing and reconciling all of the data presented in the report, I am of the opinion that the market value of the fee simple interest in a 1.76-acre parcel of land, located at the Southeast Corner of 3300 South and 1300 East, Millcreek, Utah, as of the date of inspection, September 24, 2021, is:

SEVEN MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$7,650,000)

The indicated value reflects the value of the real estate. No value has been assigned to any personal property, furniture, fixtures, or good-will.

The value conclusion reflects the rights associated with the fee simple title and is subject to the assumptions and limiting conditions as stated in this report, as well as the following ***Extraordinary Assumptions***:

- It has been assumed that development of the proposed 278-unit apartment project, as described herein, will be approved by the city of Millcreek.

The use of extraordinary assumptions and hypothetical conditions might have affected assignment results.

The projected marketing time for the property is one year or less. The projected exposure time is one year or less.

ADDENDUM

QUALIFICATIONS OF APPRAISER

JEFF NEESE, MAI

Educational Background and Training

Bachelor of Science Degree, Business
 Real Estate Principles
 Real Estate Appraisal and Investment
 Advanced Principles of Urban Real Estate
 Real Estate Appraisal Principles
 Basic Valuation Procedures, Exam
 Capitalization Theory & Techniques, Parts A & B
 Analyzing Distressed Real Estate
 Case Studies in Real Estate Valuation
 Analyzing Operating Statements
 Forecasting Revenue
 Report Writing and Valuation Analysis
 Uniform Standards of Professional Appraisal Practice
 The Appraiser as Expert Witness
 Reviewing Appraisals
 Subdivision Analysis
 Money and Markets
 FIRREA - - Overview and Practical Application
 Understanding Limited Appraisals
 Environmental Risk and the Appraisal Process
 Appraisal of Retail Properties
 Apartment Appraisal, Concepts & Applications
 Fair Housing
 Real Estate Ethics
 Misrepresentations and Case Studies
 Business Practices and Ethics
 Dozens of other classes and seminars

Professional Experience

1986 to Present *Independent Fee Appraiser & Consultant*
 Specialization in multifamily residential properties
 Experience in appraising condominium projects, student housing, elderly housing, Low-Income Housing Tax Credits and government-subsidized apartment projects. Appraisals completed under Fannie Mae, Freddie Mac and HUD requirements
 Extensive experience in performing market and financial feasibility studies for proposed apartment, condominium and planned unit developments

QUALIFICATIONS OF APPRAISER (CONT'D)

Professional Affiliations

Member of the Appraisal Institute	(MAI #8708)
Former Salt Lake Sub-Chapter Chairman	
Former Member of Board of Directors of the Utah Chapter	
Utah State Certified General Appraiser	(#5451871-CG00)
Idaho State Certified General Appraiser	(#CGA-2404)
Licensed Utah Real Estate Broker	(#5451871-PB00)
Member Salt Lake Board of Realtors	

Significant Market Studies and Appraisals

Market Studies

Proposed 186-unit apartment project, partially rent-restricted
 Proposed 332-unit market-rent apartment project
 Proposed 300-unit market-rent apartment project
 Existing 292-unit apartment and 96-unit addition, with Low-Income Housing Tax Credits
 Proposed 240-unit luxury high-rise apartment

Appraisals

Proposed 493-unit apartment project
 Proposed 271-unit Class-A, Urban Mid-Rise, transit-oriented
 Existing apartment project proposed for renovation with tax credits, bond financing and Rural Development Subsidy
 Proposed urban high-rise mixed-use projects including apartments and retail space

Partial List of Current Clients

Bank of Utah Bonneville Multifamily Capital Wells Fargo Multifamily Capital KeyBank Wells Fargo Bank Ally Bank Greystone Redevelopment Agency of SLC Pacific Western Bank Fieldstone Homes Sunwest Bank Brighton Bank Bonneville Mortgage PGIM Walker & Dunlop, LLC	Zions Bank HomeStreet Bank NorthMarq Rocky Mountain Community Investment University Federal Credit Union Dwight Capital Prudential Multifamily Mortgage Hunt Mortgage Capital, LLC Banner Bank America First Credit Union Hilltop Bank Dougherty Mortgage Goldman Sachs Pacific Premier Bank
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**APARTMENT PROJECTS APPRAISED BY JEFF NEESE, MAI
(PARTIAL LIST)**

4TH WEST	Salt Lake City, Utah	493 Units
THE MORTON	Salt Lake City, Utah	137 Units
ICON 9700	Sandy, Utah	264 Units
FALLS AT MESA POINT	St. George, Utah	199 Units
ICO FAIRBOURNE STATION	West Valley City, Utah	225 Units
AXIO 8400	Sandy, Utah	332 Units
MOUNTAIN VIEW TOWNHOMES	Ogden, Utah	145 Units
EAGLEWOOD LOFTS - PHASE 1	North Salt Lake, Utah	214 Units
THE ASTON AT UNIVERSITY PLACE	Provo, Utah	237 Units
FLATS AT RIVERWOOD	Provo, Utah	218 Units
2100 LOFTS	Salt Lake City, Utah	206 Units
PARK AT CITY CENTER	Sandy, Utah	330 Units
MEADOWS AT AMERICAN FORK	American Fork, Utah	252 Units
STATION AT GARDNER MILL	West Jordan, Utah	272 Units
PARK LANE VILLAGE	Farmington, Utah	324 Units
MILLPOND	American Fork, Utah	214 Units
CLEARFIELD STATION	Clearfield, Utah	216 Units
CLAREDON VILLAGE PHASE I AND II	West Haven, Utah	300 Units
TRITON POINT OF VIEW	Draper, Utah	324 Units
THE SPRINGS AT LOGAN RIVER	Logan, Utah	188 Units
HUB OF OPPORTUNITY	South Salt Lake, Utah	156 Units
LIBERTY BOULEVARD	Salt Lake City, Utah	266 Units
PORTER RANCH TOWNHOMES	Eagle Mountain, Utah	128 Units
ICO SOUTH TEMPLE	Salt Lake City, Utah	118 Units
FALLS AT RIVERWOOD	Logan, Utah	314 Units
EAGLEWOOD LOFTS - PHASE 2	North Salt Lake, Utah	196 Units
EXCHANGE A & B	Salt Lake City, Utah	403 Units
STATION AT MIDVALE PHASE I AND II	Midvale, Utah	186 Units
MILL POINT	Vineyard, Utah	413 Units
STATION PARKWAY	Farmington, Utah	267 Units
HAWTHORNE TOWNHOMES	South Salt Lake, Utah	218 Units
GREENPRINT AT THE TRAX	Salt Lake City, Utah	60 Units
MILLCREEK STATION	South Salt Lake, Utah	70 Units
MURRAY DEPOT	Murray, Utah	93 Units

Hundreds of other projects ranging from 50 to over 600 units

Experience in appraising market-rent apartments, student housing, elderly housing, government-subsidized housing.

Expertise in HUD, Fannie Mae, Freddie Mac, Low-Income Housing Tax Credits and other programs.

APPRAISER'S LICENSE

**STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE**

ACTIVE LICENSE

DATE ISSUED: 06/22/2021

EXPIRATION DATE: 06/30/2023

LICENSE NUMBER: 5451871-CG00

LICENSE TYPE: Certified General Appraiser

ISSUED TO: JEFFREY L NEESE
824 TAVIAWK DRIVE
IVINS UT 84738



A handwritten signature in blue ink, appearing to read 'Jeffrey L. Neese', written over a horizontal line.

SIGNATURE OF HOLDER

A handwritten signature in blue ink, appearing to read 'J. S. Smith', written over a horizontal line.

REAL ESTATE DIVISION DIRECTOR

Millcreek City Council
Jeff Silvestrini, Mayor
Silvia Catten, District 1
F. Dwight Marchant, District 2
Cheri Jackson, District 3
Bev Uipi, District 4



Millcreek City Hall
3330 South 1300 East
Millcreek, Utah 84106
801-214-2700
millcreek.us

Tyler Morris, Senior Vice President
Cottonwood Residential
1245 Brickyard Road, Suite 250
Salt Lake City, Utah 84109

**Re: Recommendation to the Millcreek City Council Regarding a Cash-in-lieu
Substitution for Required open Space.**

Address: 1306 East 3300 South

File No. CU-21-018

Dear Tyler,

This letter serves as my review and recommendation of your application for a cash-in-lieu substitution for the Hudson project ("Project"), a mixed use multifamily project consisting of 226 dwelling and 7,735 square feet of commercial space, for which the Planning Commission granted preliminary conditional use approval on 17 November 2021.

Request

In your application letter, you stated that the design for the project met the minimum 20 percent open space requirement identified in the City Center Overlay Zone ("CCOZ"), but that your project does *not* meet the requirement that 40 percent of that open space be in the form of a public plaza. Specifically, your development site requires 5,785 square feet of plaza space, and your proposal provides 4,289 square feet of plaza space in three separate plazas, leaving a shortfall of 1,496 square feet. Pursuant to Millcreek Code §19.73.070 (R), you are requesting that the City Council approve a cash-in-lieu substitution for the shortfall.

Authority to Review and Approve a Cash-in-lieu Substitution

The CCOZ ordinance provides for developments that face Millcreek Common or that could benefit from contributing to a pedestrian connection to Millcreek Common to apply for a cash-in-lieu substitution that is intended to enhance open space and pedestrian connections with features by acquiring or improving land that is destined to become a part of Millcreek Common. The City may accept a cash-in-lieu substitution "where it can be shown that the acceptance of those funds is more effective in acquiring open space / park space and improving pedestrian connections within the City Center."

Valuation

Typically, an appraisal is required to determine the value, unless the applicant provides "readily available" information regarding property value that is not more than one year old. In your case, you provided an appraisal report for the property form Western States Multifamily, dated September 24, 2021, and that valued the unimproved land in question at \$99.95 per square foot.

In your application letter, you propose a cash-in-lieu substitution of 1,496 square feet valued at \$100 per square foot, for an amount totaling \$149,600.

Proposed Use for the Cash-in-lieu Substitution

The funds can be used to enhance the Millcreek Common and pedestrian connections with additional features. The City is working on a number of enhancements to Millcreek Common, and the additional money could be used to create additional lighting and a landscape buffer on the south side of Millcreek Common, near the water feature, or for improvements to the pedestrian crossings at the intersection of 3300 South and 1300 East. In any case, if an in-lieu substitution is accepted by the Millcreek City Council, the funds should be earmarked to safety enhancements for pedestrian connections, or to the Common itself.

Findings and Recommendation

Pursuant to Millcreek Code §19.73.070 (R), I reviewed your request for a cash in-lieu substitution and **recommend that the City Council approve the cash-in-lieu substitution totaling \$149,600, subject to a development agreement between Cottonwood Residential and Millcreek.**

My findings for this recommendation are as follows:

1. The project is located at 1306 East 3300 South, and is located across the street from Millcreek Common. It both faces the Common and could benefit from better pedestrian safety connections to the Common, and is therefore eligible for an in-lieu substitution as specified in Millcreek Code.
2. You provided an appraisal dated September 24, 2021 that values the land at \$99.95 per square foot. This land value is consistent with the City's own experiences buying property in the vicinity of the project. The appraisal was written by a certified appraiser and is less than a year old. Therefore, a new appraisal is not required by City Code. I find that the appraised value is a reasonable basis for determining a cash-in-lieu value for the plaza space.
3. I find that acceptance of these funds is "more effective in acquiring open space/park land and improving pedestrian connections within the City Center" than redesigning the project to accommodate an additional 1,496 square feet of plaza space along the Project frontage. A redesign would create some additional open space along the south side of 3300 South, but it would be narrow, due to the geometry of the site, and would add marginal value to the open space in City Center. Enhancements to the pedestrian crossings and/or to the southern edge of Millcreek Common will be a more effective contribution to the City's strategy for quality open space in its City Center.
4. At their public hearing on 15 November 2021, the Planning Commission reviewed the cash-in-lieu application and approved the project as-is, subject to the City Council approving a cash-in-lieu agreement for the remaining open space.

City Council Action

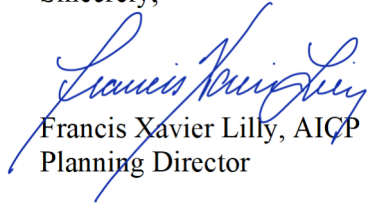
The City Council action will be asked to review and approve a cash-in-lieu agreement with you, and will undertake a first reading of this item on December 13, 2021.

The City Council will be asked to determine that the proposed agreement is more effective at providing open space than fully meeting the plaza requirement outlined in CCOZ.

At a second reading, they will adopt an ordinance authorizing a development agreement with you to execute the cash-in-lieu exchange.

Please let me know if you have any questions.

Sincerely,



Francis Xavier Lilly, AICP
Planning Director

MILLCREEK

**Basic Financial Statements
and
Independent Auditor's Report
Year Ended June 30, 2021**

MILLCREEK

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COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
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AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Millcreek, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Millcreek, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the pension schedules on pages 49 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBME, LLC

December 3, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This document is a narrative overview and analysis of the financial activities of Millcreek for the fiscal year ending June 30, 2021. Millcreek was incorporated as of January 1, 2017. Millcreek management encourages readers to consider the information presented here in conjunction with the financial statements which follow this section. To help the reader with navigation of this report, the city's activities are classified in the following manner: government activities refers to general administration, parks, streets, police, planning etc. and business-type activities (this is a new category) which includes the Storm Water Utility Fund. This fund was established in fiscal year 2021 to account for storm sewer utility fees and expenses related to the City's storm water system. Fees are collected by Rocky Mountain Power through their current billing system and then remitted to the City.

FINANCIAL HIGHLIGHTS

- The total net position of Millcreek City increased from \$165,085,550 to \$177,603,465. The total net position is a combination of \$158,314,853 from governmental activities and \$19,288,612 from business activities.
- The total net position of governmental activities is made up of \$144,576,786 in capital assets, such as land, infrastructure and equipment and \$13,738,067 in other net position. The \$13,738,067 in other net position is made up of \$479,219 which is restricted for capital projects; the remaining \$13,258,848 is unrestricted assets.
- The total net position of business-type activities is made up of \$18,861,314 in capital assets, such as equipment and infrastructure and \$427,298 which is considered unrestricted assets.
- Total liabilities of the City increased by \$5,743,755. This increase is due to a large increase in accounts payable and unearned revenue of \$3,989,825, which is federal funds received by the City from the Department of Treasury's State & Local Fiscal Recovery program which had not been budgeted on June 30, 2021. In addition, the City issued and redeemed Tax Anticipation Notes in the amount \$6,035,000 for the purpose of funding the contract with Unified Police Department. The net pension liability decreased by \$550,845. Deferred Inflows of Property taxes increased by \$246,260.

REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to Millcreek's basic financial statements. Millcreek City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of Millcreek City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of Millcreek's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Millcreek is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

- The statement of activities presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The government-wide financial statements distinguish functions of Millcreek that are principally supported by taxes and intergovernmental revenues (governmental activities). The government-wide financial statements can be found on pages 11-12 of this report.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Millcreek also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City maintains four individual governmental funds, three of which are major funds. The funds include the General Fund, the Capital Projects Fund, the Park Impact Fee Fund (non-major) and the Community Reinvestment Agency Special Revenue Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each one of these funds. The basic governmental fund financial statements can be found on pages 13-16 of this report. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

- Proprietary funds - The City also maintains one proprietary fund to account for the storm water utility. Information for this fund is listed in the financial statements as a business-type activity and can be found on pages 19-21.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Millcreek, assets exceed liabilities by \$177,603,465.

By far the largest portion of Millcreek's net position (92%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt.

STATEMENT OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 44,257,629	\$ 35,466,807	\$ 497,973	\$ -	\$ 44,755,602	\$ 35,466,807
Capital assets	155,821,222	164,926,168	18,861,314	-	174,682,536	164,926,168
Total assets	<u>200,078,851</u>	<u>200,392,975</u>	<u>19,359,287</u>	<u>-</u>	<u>219,438,138</u>	<u>200,392,975</u>
Deferre outflows of resources						
Deferred related to pensions	530,357	760,483	58,929	-	589,286	760,483
Other liabilities	9,199,543	20,997,544	35,041	-	9,234,584	20,997,544
Long-term liabilities outstanding	20,244,851	2,745,354	7,218	-	20,252,069	2,745,354
Total liabilities	<u>29,444,394</u>	<u>23,742,898</u>	<u>42,259</u>	<u>-</u>	<u>29,486,653</u>	<u>23,742,898</u>
Deferred inflows of resources						
Deferred property tax revenue	12,225,860	11,979,600	-	-	12,225,860	11,979,600
Deferred related to pensions	624,101	345,410	69,345	-	693,446	345,410
Total deferred inflows of resources	<u>12,849,961</u>	<u>12,325,010</u>	<u>69,345</u>	<u>-</u>	<u>12,919,306</u>	<u>12,325,010</u>
Net position:						
Invested in capital assets, net						
of related debt	144,576,786	151,622,208	18,861,314	-	163,438,100	151,622,208
Restricted	479,219	7,504,204	-	-	479,219	7,504,204
Unrestricted	13,258,848	5,959,138	427,298	-	13,686,146	5,959,138
Total net position	<u>\$ 158,314,853</u>	<u>\$ 165,085,550</u>	<u>\$ 19,288,612</u>	<u>\$ -</u>	<u>\$ 177,603,465</u>	<u>\$ 165,085,550</u>

Governmental activities. Governmental activities decreased the City's net position by \$6,770,697. The City had a transfer from the governmental activities to the business-type activities during the year for \$18,447,736, which resulted in the significant decrease in net position in the governmental activities. The City had significant increases in charges for services, operating grants, capital grants, and property taxes over the prior year.

Business-type activities. This was the first year with business-type activities as the City started a storm water fund. The City collected \$1,868,447 from charges for services with expenses of \$1,028,727. In addition to the transfer from the governmental activities for \$18,447,736, the business-type activities increased the City's net position by \$19,288,612.

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 3,721,059	\$ 2,419,849	\$ 1,868,447	\$ -	\$ 5,589,506	\$ 2,419,849
Operating grants and contributions	7,434,385	3,116,658	-	-	7,434,385	3,116,658
Capital grants and contributions	3,147,755	862,813	-	-	3,147,755	862,813
General revenues:						
Property taxes	11,902,199	11,262,340	-	-	11,902,199	11,262,340
General sales taxes	13,227,389	11,211,027	-	-	13,227,389	11,211,027
Franchise taxes	553,957	560,514	-	-	553,957	560,514
Interest income	128,506	575,273	1,156	-	129,662	575,273
Transfers, net	(18,447,736)	-	18,447,736	-	-	-
Gain on sale of assets	-	-	-	-	-	-
Other	264,348	215,831	-	-	264,348	215,831
Total revenues	21,931,862	30,224,305	20,317,339	-	42,249,201	30,224,305
Expenses:						
General government	7,426,768	6,229,633	-	-	7,426,768	6,229,633
Public safety	12,213,011	11,374,782	-	-	12,213,011	11,374,782
Streets and public works	8,426,540	8,172,979	-	-	8,426,540	8,172,979
Parks and recreation	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-
Garbage	-	-	-	-	-	-
Interest on long-term debt	636,240	920,492	-	-	636,240	920,492
Storm water	-	-	1,028,727	-	1,028,727	-
Total expenses	28,702,559	26,697,886	1,028,727	-	29,731,286	26,697,886
Increase in net position	(6,770,697)	3,526,419	19,288,612	-	12,517,915	3,526,419
Net position, beginning	165,085,550	161,559,131	-	-	165,085,550	161,559,131
Net position, ending	\$ 158,314,853	\$ 165,085,550	\$ 19,288,612	\$ -	\$ 177,603,465	\$ 165,085,550

ANALYSIS OF GOVERNMENT'S FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. As of June 30, 2021, the City's governmental funds' equity is \$22,892,376, an increase of \$2,090,373 from the prior year. The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$12,011,114 while total fund balance was \$12,533,376. As a measure of the general fund's liquidity, it may useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund represents 47% of total general fund expenditures.

The City's proprietary fund provides the same type of information found in the government-wide financial statements business-type activities, but in more detail. Net position of the storm water fund at the end of the year was \$19,288,612. Net position increased by \$19,288,612 from the preceding year as the fund was new during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund was amended resulting in an increase from the original budget of \$23,857,0000 to \$35,521,135. Most of the increase is due to higher than originally anticipated sales tax revenues and funds received from the federal government's Coronavirus Aid, Relief, and Economic Security Act.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – Millcreek's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$155,821,222 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure (streets, sidewalks, curb and gutter, bridges, etc.), and equipment. Millcreek's investment in capital assets for its business-type activities as of June 30, 2021, equals \$18,861,314 (net of accumulated depreciation). This investment in capital assets includes infrastructure and equipment.

The City's total capital asset additions (includes both governmental and business-type activities) during fiscal year 2021 include the following:

- Infrastructure, streets, parks and storm drain in the amount of \$732,769.
- Land & building additions (related to the purchase of properties & buildings within the City Center Community Reinvestment Area (CRA) in the amount of \$6,219,836.

MILLCREEK'S CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 92,067,824	\$ 85,847,988	\$ -	\$ -	\$ 92,067,824	\$ 85,847,988
Buildings	1,082,828	1,105,813	-	-	1,082,828	1,105,813
Improvements	6,227,745	1,741,593	-	-	6,227,745	1,741,593
Infrastructure	56,212,570	75,947,436	18,810,129	-	75,022,699	75,947,436
Machinery and equipment	230,255	283,338	51,185	-	281,440	283,338
Total	<u>\$ 155,821,222</u>	<u>\$ 164,926,168</u>	<u>\$ 18,861,314</u>	<u>\$ -</u>	<u>\$ 174,682,536</u>	<u>\$ 164,926,168</u>

Additional information on the City's capital assets can be found in the footnotes to this financial report and the supplemental section.

Long-term debt - At June 30, 2021, the City had \$17,345,000 in long term debt due to issuing bonds in June of 2019 to fund the acquisition of real property and construction of public space within the City Center Community Reinvestment Area (CRA). In fiscal year 2021 the City paid interest on those bonds in the amount of \$721,729. Subsequently, on August 5, 2021, the City issued Sales Tax Revenue Bonds Series 2021 in the amount of \$36,265,000. Proceeds from the sale of these bonds will be used to finance expenses associated with building a new city hall.

MILLCREEK'S LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Sales tax revenue bonds	\$ 17,345,000	\$ 17,345,000	\$ -	\$ -	\$ 17,345,000	\$ 17,345,000
Premium	2,616,188	2,758,244	-	-	2,616,188	2,758,244
Net pension liability	196,077	648,162	9,731	-	205,808	648,162
Vacation payable	87,586	246,138	25,310	-	112,896	246,138
Total	<u>\$ 20,244,851</u>	<u>\$ 20,997,544</u>	<u>\$ 35,041</u>	<u>\$ -</u>	<u>\$ 20,279,892</u>	<u>\$ 20,997,544</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The Unemployment rate for Salt Lake County (of which Millcreek is part) was 3.2% compared with the State unemployment rate of 2.7% as of June 30, 2021.
- In spite of the COVID-19 pandemic, the City continues to receive increased sales tax revenues. However, the City will continue to monitor economic trends to insure expenditures do not outpace revenues.
- The City continues to contract for the following services:
 - Police protection (Unified Police Department)
 - Animal services (Salt Lake County Animal Services)
 - Park Maintenance (Salt Lake County Parks Department)
 - Public works services (Salt Lake County Public Works)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Millcreek's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Millcreek Finance Director
3330 South 1300 East
Millcreek, UT 84106

MILLCREEK
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 28,362,842	\$ 258,488	\$ 28,621,330
Receivables:			
Property and other taxes	15,349,418	-	15,349,418
Accounts	-	221,485	221,485
Due from other governments	516,262	-	516,262
Prepaid expenses	6,000	-	6,000
Restricted cash	23,107	-	23,107
Capital assets:			
Land	92,067,824	-	92,067,824
Buildings	1,149,259	-	1,149,259
Improvements	6,283,925	-	6,283,925
Machinery and equipment	563,154	63,499	626,653
Infrastructure	62,360,925	20,812,815	83,173,740
Accumulated depreciation	(6,603,865)	(2,015,000)	(8,618,865)
Total assets	200,078,851	19,341,287	219,420,138
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	530,357	58,929	589,286
Total deferred outflows of resources	530,357	58,929	589,286
<u>LIABILITIES</u>			
Accounts payable	3,306,640	7,218	3,313,858
Accrued interest payable	60,150	-	60,150
Accrued liabilities	338,657	-	338,657
Construction bonds	1,504,271	-	1,504,271
Unearned revenue	3,989,825	-	3,989,825
Non-current liabilities:			
Due within one year	166,665	21,514	188,179
Due in more than one year	19,990,600	3,796	19,994,396
Net pension liability	87,586	9,731	97,317
Total liabilities	29,444,394	42,259	29,486,653
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property tax revenue	12,225,860	-	12,225,860
Deferred inflows relating to pensions	624,101	69,345	693,446
Total deferred inflows of resources	12,849,961	69,345	12,919,306
<u>NET POSITION</u>			
Net investment in capital assets	144,576,786	18,861,314	163,438,100
Restricted for:			
Capital projects	479,219	-	479,219
Unrestricted	13,258,848	427,298	13,686,146
Total net position	\$ 158,314,853	\$ 19,288,612	\$ 177,603,465

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Activities
For the Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>GOVERNMENTAL ACTIVITIES</u>							
General government	\$ 7,426,768	\$ 3,721,059	\$ -	\$ -	\$ (3,705,709)		\$ (3,705,709)
Public safety	12,213,011	-	-	-	(12,213,011)		(12,213,011)
Streets and public works	8,426,540	-	7,434,385	2,985,552	1,993,397		1,993,397
Parks and recreation	-	-	-	162,203	162,203		162,203
Debt service - interest and fiscal charges	636,240	-	-	-	(636,240)		(636,240)
Total governmental activities	28,702,559	3,721,059	7,434,385	3,147,755	(14,399,360)		(14,399,360)
<u>BUSINESS TYPE ACTIVITIES</u>							
Storm Water	1,028,727	1,868,447	-	-		839,720	839,720
Total business-type activities	1,028,727	1,868,447	-	-		839,720	839,720
<u>GENERAL REVENUES</u>							
Taxes:							
Property taxes					11,902,199	-	11,902,199
Franchise taxes					553,957	-	553,957
General sales taxes					13,227,389	-	13,227,389
Interest income					128,506	1,156	129,662
Miscellaneous					264,348	-	264,348
Transfers, net					(18,447,736)	18,447,736	-
Total general revenues					7,628,663	18,448,892	26,077,555
Change in net position					(6,770,697)	19,288,612	12,517,915
Net position - beginning					165,085,550	-	165,085,550
Net position - ending					\$ 158,314,853	\$ 19,288,612	\$ 177,603,465

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Balance Sheet – Governmental Funds
June 30, 2021

	General	Special Revenue Community Reinvestment	Capital Projects Fund	Special Revenue Park Impact (non-major)	Totals Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 15,761,613	\$ 758,338	\$ 11,680,688	\$ 162,203	\$ 28,362,842
Restricted cash and investments	-	23,107	-	-	23,107
Receivables:					
Sales, property and franchise taxes	14,198,542	1,150,876	-	-	15,349,418
Class C road funds	516,262	-	-	-	516,262
Prepaid expenditures	6,000	-	-	-	6,000
Total assets	<u>\$ 30,482,417</u>	<u>\$ 1,932,321</u>	<u>\$ 11,680,688</u>	<u>\$ 162,203</u>	<u>\$ 44,257,629</u>
<u>LIABILITIES</u>					
Liabilities:					
Accounts payable	\$ 1,040,428	\$ 1,640	\$ 2,264,572	\$ -	\$ 3,306,640
Accrued liabilities	338,657	-	-	-	338,657
Construction bonds	1,504,271	-	-	-	1,504,271
Unearned revenue	3,989,825	-	-	-	3,989,825
Total liabilities	<u>6,873,181</u>	<u>1,640</u>	<u>2,264,572</u>	<u>-</u>	<u>9,139,393</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property tax revenue	11,075,860	1,150,000	-	-	12,225,860
Total deferred inflows of resources	<u>11,075,860</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>12,225,860</u>
<u>FUND BALANCE</u>					
Nonspendable	6,000				6,000
Restricted					
Class C road projects	516,262	-	-	-	516,262
Capital projects	-	23,107	-	-	23,107
Total restricted	<u>516,262</u>	<u>23,107</u>	<u>-</u>	<u>-</u>	<u>539,369</u>
Assigned to:					
Special revenue fund	-	757,574	-	162,203	919,777
Capital projects fund	-	-	9,416,116	-	9,416,116
Total assigned	<u>-</u>	<u>757,574</u>	<u>9,416,116</u>	<u>162,203</u>	<u>10,335,893</u>
Unassigned	12,011,114	-	-	-	12,011,114
Total fund balance	<u>12,533,376</u>	<u>780,681</u>	<u>9,416,116</u>	<u>162,203</u>	<u>22,892,376</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,482,417</u>	<u>\$ 1,932,321</u>	<u>\$ 11,680,688</u>	<u>\$ 162,203</u>	<u>\$ 44,257,629</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Reconciliation to the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balances - Total Governmental Funds (page 13)	\$ 22,892,376
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	155,821,222
Net pension assets and liabilities are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	(181,330)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,217,415)</u>
Net Position - Governmental Activities (page 11)	<u><u>\$ 158,314,853</u></u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenditures, and
Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2021

	General	Special Revenue Community Reinvestment	Capital Projects Fund	Special Revenue Park Impact (non-major)	Totals Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 25,532,250	\$ 151,295	\$ -	\$ -	\$ 25,683,545
Special assessments	-	-	-	162,203	162,203
Licenses and permits	3,475,595	-	-	-	3,475,595
Charges for services	227,435	10,514	-	-	237,949
Intergovernmental	7,434,385	1,084,763	1,900,789	-	10,419,937
Fines and forfeitures	7,515	-	-	-	7,515
Interest	83,670	23,785	21,051	-	128,506
Miscellaneous	260,113	4,235	-	-	264,348
Total revenues	37,020,963	1,274,592	1,921,840	162,203	40,379,598
<u>EXPENDITURES</u>					
General government	7,399,128	-	-	-	7,399,128
Public safety	12,213,011	-	-	-	12,213,011
Streets and public works	5,764,475	1,418,166	-	-	7,182,641
Capital outlay	-	6,219,836	5,272,313	-	11,492,149
Debt service:					
Interest and fiscal charges	21,067	721,729	-	-	742,796
Debt issuance costs	35,500	-	-	-	35,500
Total expenditures	25,433,181	8,359,731	5,272,313	-	39,065,225
Excess of revenues over (under) expenditures	11,587,782	(7,085,139)	(3,350,473)	162,203	1,314,373
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	6,931,183	-	6,931,183
Transfers out	(6,155,183)	-	-	-	(6,155,183)
Total other financing sources (uses)	(6,155,183)	-	6,931,183	-	776,000
Net change in fund balance	5,432,599	(7,085,139)	3,580,710	162,203	2,090,373
Fund balance, beginning of year	7,100,777	7,865,820	5,835,406	-	20,802,003
Fund balance, end of year	\$ 12,533,376	\$ 780,681	\$ 9,416,116	\$ 162,203	\$ 22,892,376

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance of
Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 12) are different because:

Net change in fund balances - total governmental funds (page 15)	\$ 2,090,373
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and asset transfers exceed capital outlays and contributions in the current period.	(9,104,946)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	192,117
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>51,759</u>
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Change in net position - governmental activities (page 12)	<u><u>\$ (6,770,697)</u></u>
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The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 20,145,500	\$ 25,752,750	\$ 25,532,250	\$ (220,500)
Licenses and permits	1,636,500	3,270,150	3,475,595	205,445
Charges for service	55,000	230,000	227,435	(2,565)
Intergovernmental	1,745,000	6,019,776	7,434,385	1,414,609
Fines and forfeitures	-	7,500	7,515	15
Interest	275,000	110,000	83,670	(26,330)
Miscellaneous	-	130,959	260,113	129,154
Total revenues	<u>23,857,000</u>	<u>35,521,135</u>	<u>37,020,963</u>	<u>1,499,828</u>
EXPENDITURES				
General government				
Mayor and city council	351,500	374,000	351,114	22,886
City management	231,500	169,500	147,923	21,577
Recorder	121,700	119,200	105,733	13,467
Building services	973,500	1,049,000	977,505	71,495
Communications and programs	415,950	439,750	386,158	53,592
Emergency management	112,750	129,250	106,867	22,383
Justice court	215,000	215,000	208,664	6,336
Legal	482,250	502,250	414,889	87,361
Information center	274,900	286,000	243,685	42,315
IT management	467,000	627,500	563,591	63,909
Economic development	340,200	1,530,300	1,500,812	29,488
Business licenses	152,750	164,750	156,118	8,632
Finance	332,500	380,750	348,007	32,743
Human resources	52,000	54,000	33,271	20,729
Nondepartmental	135,000	188,000	170,679	17,321
Facilities administration	346,500	332,500	309,414	23,086
Facilities	342,500	355,000	290,229	64,771
Fleet	30,500	60,029	53,092	6,937
Planning and zoning	797,500	928,500	893,625	34,875
Promise program	100,000	146,935	137,752	9,183
Public safety	12,055,954	12,221,671	12,213,011	8,660
Streets and public works	6,351,500	6,219,500	5,764,475	455,025
Debt service	211,000	56,567	56,567	-
Transfers	61,000	6,221,183	6,155,183	66,000
Total expenditures	<u>24,954,954</u>	<u>32,771,135</u>	<u>31,588,364</u>	<u>1,182,771</u>
Net change in fund balance	(1,097,954)	2,750,000	5,432,599	2,682,599
Fund balance, beginning of year	<u>7,100,777</u>	<u>7,100,777</u>	<u>7,100,777</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,002,823</u>	<u>\$ 9,850,777</u>	<u>\$ 12,533,376</u>	<u>\$ 2,682,599</u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Community Reinvestment Agency – Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 151,295	\$ 151,295
Charges for services	-	10,514	10,514	-
Intergovernmental	950,000	1,236,058	1,084,763	(151,295)
Interest	5,000	200	23,785	23,585
Miscellaneous	-	3,358	4,235	877
Total revenue	955,000	1,250,130	1,274,592	24,462
<u>EXPENDITURES</u>				
Public works	658,000	1,486,916	1,418,166	68,750
Capital outlay	6,139,423	6,219,838	6,219,836	2
Debt service	721,800	721,729	721,729	-
Total expenditures	7,519,223	8,428,483	8,359,731	68,752
Excess of revenues over expenditure	(6,564,223)	(7,178,353)	(7,085,139)	93,214
Net change in fund balance	(6,564,223)	(7,178,353)	(7,085,139)	93,214
Fund balance, beginning of year	7,865,820	7,865,820	7,865,820	-
Fund balance, end of year	\$ 1,301,597	\$ 687,467	\$ 780,681	\$ 93,214

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Net Position – Proprietary Fund
June 30, 2021

	Storm Water
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 258,488
Receivables:	
Accounts, net	221,485
Total current assets	479,973
Property, plant and equipment:	
Infrastructure	20,812,815
Machinery and equipment	63,499
Accumulated depreciation	(2,015,000)
Net property, plant and equipment	18,861,314
Total assets	19,341,287
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows related to pensions	58,929
Total deferred outflows of resources	58,929
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	7,218
Compensated absences, current	21,514
Total current liabilities	28,732
Noncurrent liabilities:	
Compensated absences	3,796
Net pension liability	9,731
Total noncurrent liabilities	13,527
Total liabilities	42,259
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows related to pensions	69,345
Total deferred inflows of resources	69,345
<u>NET POSITION</u>	
Net investment in capital assets	18,861,314
Unrestricted	427,298
Total net position	\$ 19,288,612

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Revenues, Expenses, and Changes
in Fund Net Position – Proprietary Fund
For the Year Ended June 30, 2021

	Storm Water
<u>OPERATING REVENUES</u>	
Charges for services	\$ 1,858,770
Miscellaneous	9,677
Total operating revenues	<u>1,868,447</u>
<u>OPERATING EXPENSES</u>	
Wages and fringe benefits	355,440
Operations	26,974
Professional services	106,972
Depreciation and amortization	425,921
Other	113,420
Total operating expenses	<u>1,028,727</u>
Operating income	<u>839,720</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	<u>1,156</u>
Total non-operating revenues	<u>1,156</u>
Income before transfers and contributions	840,876
Transfers out	(776,000)
Capital contributions	<u>19,223,736</u>
Change in net position	19,288,612
Total net position, beginning of year	<u>-</u>
Total net position, end of year	<u><u>\$ 19,288,612</u></u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Statement of Cash Flows – Proprietary Fund
For the Year Ended June 30, 2021

	Storm Water
<u>Cash flows from operating activities:</u>	
Cash received from customers (including cash deposits)	\$ 1,646,962
Cash paid to suppliers	(240,148)
Cash paid to employees	(309,983)
Net cash provided by operating activities	<u>1,096,831</u>
<u>Cash flow from capital and related financing activities:</u>	
Interest income received	1,156
Payments to general fund	(776,000)
Purchase of capital assets	(63,499)
Net cash used by capital and related financing activities	<u>(838,343)</u>
Net increase in cash and cash equivalents	258,488
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	<u><u>\$ 258,488</u></u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>	
Operating income	<u>\$ 839,720</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	425,921
Changes in assets and liabilities:	
Increase in accounts receivable	(221,485)
Increase in deferred outflows	(58,929)
Increase in accounts payable	7,218
Increase in accrued liabilities	25,310
Increase in deferred inflows	69,345
Increase in net pension liability	9,731
Total adjustments	<u>257,111</u>
Net cash provided by operating activities	<u><u>\$ 1,096,831</u></u>
Capital and related financing activities not affecting cash:	
Contributions of capital assets	<u><u>\$ 19,223,736</u></u>

The accompanying notes are an integral part of this financial statement.

MILLCREEK
Notes to the Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Millcreek, Utah (the City) was incorporated in 2017 under the laws of the State of Utah. The City operates under a Mayor-Council form of government. The City is a municipal corporation governed by an elected five-member Council, which includes the Mayor. The City provides the following services: public safety, highway and streets, public improvements, planning and zoning, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Component units that do not meet the criteria for being blended into the City's primary government are reported discretely.

Government-Wide Financial Statements and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. The City's general administrative services, public safety, highways and streets, planning and engineering, and parks are all classified as governmental activities. Storm water collection services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the City and its component units. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or a segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the governmentwide financial statements, rather than reported as expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types are used by the City:

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Capital Projects Fund accounts for the acquisition and construction of the government's major capital facilities.
- The CRA special revenue fund is used to account for financial resources to be used for the revitalization of blighted areas within the City. This fund is a blended component unit.

The City reports the following major proprietary fund:

- The Storm Water Fund accounts for the operation and maintenance of the storm water system and capital projects for the storm water system.

Additionally, the City reports the following fund type:

- Special revenue fund: The City accounts for park impact fees in a special revenue fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales, services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund and Special Revenue Funds. Annual budgets are also adopted for Capital Projects Fund which may include activities that overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal yearend.

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated categories of fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law prohibits the accumulation of the stated fund balance categories in any amount greater than 35% of the current year's actual revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Investments City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Advances between funds as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Tax, intergovernmental and other receivables at June 30, 2021, consisted of property tax, sales tax, franchise tax, grants, utility billings, and other miscellaneous items. The utility billings for charged services are billed to customers on a monthly basis. Taxes, grants, and utility charges are deemed collectible in full, so no allowance for uncollectibles is recorded.

Restricted Assets Certain assets are classified as restricted because their use is restricted by an independent third party, enabling legislation, or other laws and statutes. These restrictions may include future debt service payments, unexpended portions of bonds issued for capital construction, and other agreements with third parties.

Prepaid Items Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	50 years
Buildings	50 years
Machinery and equipment	5 years

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Compensated Absences For governmental funds, amounts of vested or accumulated personal time off (PTO) are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Accumulated PTO may be paid to employees upon termination or retirement if approved by the City Manager.

Taxes On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget is made subsequent to June 22. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 1 and due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are collected by utility companies and remitted to the City periodically.

Pensions For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources Deferred outflows of resources represent a consumption of net position that applies to a future period, and is, therefore, deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is, therefore, deferred until that time. Governmental funds report unavailable revenue from property taxes as deferred inflows of resources until such time they can be recognized as revenue in the period that they become available.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

Inter-fund Transactions During the course of normal operations, the City has transactions between funds to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position (Continued)

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 162,425,087
Accumulated depreciation	<u>(6,603,865)</u>
Capital assets, net	<u><u>\$ 155,821,222</u></u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2021 were:

Sales Tax Revenue bonds	\$ 17,345,000
Premiums	2,616,188
Interest payable on long-term debt	60,150
Compensated absences	<u>196,077</u>
	<u><u>\$ 20,217,415</u></u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between Governmental Funds Operating Statements and the Statement of Net Activities

The governmental funds statement of revenues, expenditures, and change in fund balances includes a reconciliation between net change in fund balances - total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays and contributions are reported in the governmental fund as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

Capital outlays and contributions	\$ 11,546,764
Transfer of assets to storm water fund	(19,223,736)
Depreciation expense	(1,423,132)
Loss on disposal of assets	(4,842)
Net difference, as reported	\$ (9,104,946)

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits and cash on hand. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents," which also includes cash accounts that are separately held by several of the City's funds.

As of June 30, 2021, the City's demand deposits and cash on hand amounted to \$28,644,437.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments – The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

3. DEPOSITS AND INVESTMENTS (CONTINUED)

The City follows the requirements of UMMA (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund. The City has complied with the UMMA and rules of the Money Management Council with regard to deposits and investments. The City has a separate deposit and investment policy which requires City to follow UMMA.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2021, the City had the following recurring fair value measurements.

	06/30/21	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Debt Securities				
PTIF	\$28,257,414	\$ -	\$28,257,414	\$ -
Total debt securities	<u>\$28,257,414</u>	<u>\$ -</u>	<u>\$28,257,414</u>	<u>\$ -</u>

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2021, \$113,916 of the City's \$363,916 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. Of the City's investment in the PTIF of \$28,257,414, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with UMMA.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to UMMA. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2021, the City's investments had the following maturities and ratings:

Investment Type	Fair Value	Investment Maturities (in Years)		Quality Ratings
		Less Than 1	1-5	
PTIF	\$ 28,257,414	\$ 28,257,414	\$ -	Unrated
	<u>\$ 28,257,414</u>	<u>\$ 28,257,414</u>	<u>\$ -</u>	

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurers' Office.

The City did not enter into any reverse repurchase agreements during the year. Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions. Repurchase agreements are secured by uninsured, unregistered securities held by the counter party but not in the City's name.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

4. ACCOUNTS RECEIVABLE

Receivables as of June 30, 2021 for the City's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue Fund	Storm Water Fund	Total
Receivables:				
Taxes	\$ 14,198,542	\$ 1,150,876	-	\$ 15,349,418
Accounts and others	-	-	221,485	221,485
Intergovernmental	516,262	-	-	516,262
Gross receivables	14,714,804	1,150,876	221,485	16,087,165
Less: allowance for uncollectibles	-	-	-	-
Net total receivables	<u>\$ 14,714,804</u>	<u>\$ 1,150,876</u>	<u>\$ 221,485</u>	<u>\$ 16,087,165</u>

Governmental funds report deferred revenue as deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2021, the various components of deferred revenue and unearned revenue reported in the government funds were as follows:

	Deferred Inflows of Resources	Unearned
Property taxes receivable	\$ 11,075,860	\$ -
Property taxes receivable (CRA)	1,150,000	-
ARPA funds	-	3,989,825
Total deferred inflows of resources/ unearned revenue, governmental funds	<u>\$ 12,225,860</u>	<u>\$ 3,989,825</u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

5. **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	7/1/20	Increases	Transfers	Decreases	6/30/21
<u>Governmental activities</u>					
Capital assets:					
Land	\$ 85,847,988	\$ 6,219,836	\$ -	\$ -	\$ 92,067,824
Buildings	1,149,259	-	-	-	1,149,259
Improvements	1,756,065	4,527,860	-	-	6,283,925
Infrastructure	82,440,971	732,769	(20,812,815)	-	62,360,925
Machinery and equipment	513,313	66,299	-	(16,458)	563,154
Total capital assets	171,707,596	11,546,764	(20,812,815)	(16,458)	162,425,087
Accumulated depreciation:					
Buildings	(43,446)	(22,985)	-	-	(66,431)
Improvements	(14,472)	(53,324)	-	11,616	(56,180)
Infrastructure	(6,493,535)	(1,243,899)	1,589,079	-	(6,148,355)
Machinery and equipment	(229,975)	(102,924)	-	-	(332,899)
Total accumulated depreciation	(6,781,428)	(1,423,132)	1,589,079	11,616	(6,603,865)
Net governmental capital assets	\$ 164,926,168	\$ 10,123,632	\$ (19,223,736)	\$ (4,842)	\$ 155,821,222
<u>Business-type activities</u>					
Capital assets:					
Storm water infrastructure	\$ -	\$ -	\$ 20,812,815	\$ -	\$ 20,812,815
Equipment	-	63,499	-	-	63,499
Total capital assets	-	63,499	20,812,815	-	20,876,314
Accumulated depreciation:					
Storm water infrastructure	-	(413,607)	(1,589,079)	-	(2,002,686)
Equipment	-	(12,314)	-	-	(12,314)
Total accumulated depreciation	-	(425,921)	(1,589,079)	-	(2,015,000)
Net business-type capital assets	\$ -	\$ (362,422)	\$ 19,223,736	\$ -	\$ 18,861,314

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:

General government	\$ 179,233
Highways and public improvements	1,243,899
Total depreciation expense - governmental activities	<u>\$ 1,423,132</u>

Business-type activities:

Storm water	\$ 425,921
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MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

6. SHORT-TERM DEBT – TAX AND REVENUE ANTICIPATION NOTES

The City issues tax and revenue anticipation notes in advance of property tax and other revenue collections, depositing the proceeds in its general fund. These notes are necessary because the City's payments for contract services are made throughout the year, whereas property tax collections are received primarily in November and December.

Short-term debt activity for the year ended June 30, 2021 was as follows:

	<u>7/1/20</u>	<u>Issued</u>	<u>Redeemed</u>	<u>6/30/21</u>
Tax and revenue anticipation notes	\$ -	\$ 6,035,000	\$ (6,035,000)	\$ -

The City does not plan on issuing any additional tax and revenue anticipation notes going forward.

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>7/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/21</u>	<u>Due in One Year</u>
<u>Governmental activities</u>					
Bonds payable:					
Sales tax revenue	\$ 17,345,000	\$ -	\$ -	\$ 17,345,000	\$ -
Premium	2,758,244	-	(142,056)	2,616,188	-
Total bonds payable	20,103,244	-	(142,056)	19,961,188	-
Compensated absences	246,138	218,025	(268,086)	196,077	166,665
Net pension liability	648,162	-	(560,576)	87,586	-
Governmental activity long-term liabilities	<u>\$ 20,997,544</u>	<u>\$ 218,025</u>	<u>\$ (970,718)</u>	<u>\$ 20,244,851</u>	<u>\$ 166,665</u>
	<u>7/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/21</u>	<u>Due in One Year</u>
<u>Business-type activities</u>					
Compensated absences	\$ -	\$ 29,941	\$ (4,631)	\$ 25,310	\$ 21,514
Net pension liability	-	9,731	-	9,731	-
Business-type activity long-term liabilities	<u>\$ -</u>	<u>\$ 39,672</u>	<u>\$ (4,631)</u>	<u>\$ 35,041</u>	<u>\$ 21,514</u>

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds

<u>Bond Description</u>	<u>Original Issue</u>	<u>Annual Principal</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Outstanding as of 6/30/21</u>
Sales Tax Revenue Bonds, Series 2019	\$17,345,000	\$140,000 to \$1,770,000	4% to 5%	12/1/39	\$ 17,345,000
	<u>\$17,345,000</u>				<u>\$ 17,345,000</u>

On July 30, 2019, the City issued Sales Tax Revenue Bonds Series 2019 in the amount of \$17,345,000. The bonds were sold at a premium of \$2,888,462 with an underwriter's discount and bond issuance costs totaling \$233,462, resulting in total proceeds of \$20,000,000. The bonds were issued for the acquisition and improvement of property within the City's reinvestment area.

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 721,800	\$ 721,800
2023	-	721,800	721,800
2024	-	721,800	721,800
2025	140,000	718,300	858,300
2026	280,000	707,800	987,800
2027 - 2031	3,385,000	3,161,400	6,546,400
2032 - 2036	6,860,000	2,054,000	8,914,000
2037 - 2040	6,680,000	547,800	7,227,800
	<u>\$17,345,000</u>	<u>\$ 9,354,700</u>	<u>\$ 26,699,700</u>

8. RETIREMENT SYSTEMS AND PENSION PLANS

General Information About the Pension Plan

Plan Description Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who has no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement System, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Summary of Benefits by System

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Contribution Rate Summary (Continued)

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111- Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2021, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Tier 2 Public Employees System	142,376	-
Tier 2 DC Only System	24,831	N/A
Total Contributions	<u>\$ 420,451</u>	<u>\$ -</u>

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2021, the City reported a net pension asset of \$0 and a net pension liability of \$97,317.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change
Noncontributory System	\$ -	\$ 89,870	0.1752062%	0.1684213%	0.0067849%
Tier 2 Public Employees System	-	7,447	0.0517776%	0.0595987%	-0.0078211%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 97,317</u>			

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions (Continued)

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, the City recognized pension expense of \$388,306.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,423	\$ 3,410
Changes in assumptions	9,420	12,027
Net difference between projected and actual earnings on pension plan investments	-	678,009
Changes in proportion and differences between contributions and proportionate share of contributions	237,545	-
Contributions subsequent to the measurement date	214,898	-
Total	<u>\$ 589,286</u>	<u>\$ 693,446</u>

\$214,898 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 27,758
2022	(23,076)
2023	(230,715)
2024	(110,077)
2025	2,732
Thereafter	14,320

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$315,203.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 120,568	\$ -
Changes in assumptions	-	11,756
Net difference between projected and actual earnings on pension plan investments	-	656,241
Changes in proportion and differences between contributions and proportionate share of contributions	222,979	-
Contributions subsequent to the measurement date	128,804	-
Total	<u>\$ 472,351</u>	<u>\$ 667,997</u>

\$128,804 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 31,281
2022	(21,082)
2023	(225,853)
2024	(108,796)
2025	-
Thereafter	-

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$73,102.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,855	\$ 3,410
Changes in assumptions	9,420	271
Net difference between projected and actual earnings on pension plan investments	-	21,768
Changes in proportion and differences between contributions and proportionate share of contributions	14,567	-
Contributions subsequent to the measurement date	86,094	-
Total	<u>\$ 116,936</u>	<u>\$ 25,449</u>

\$86,094 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (3,523)
2022	(1,994)
2023	(4,863)
2024	(1,281)
2025	2,732
Thereafter	14,320

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables based on gender, occupation and age as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was of 6.95 percent was unchanged from the prior measurement period.

Sensitivity to the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,558,092	\$ 89,870	\$ (1,134,113)
Tier 2 Public Employees System	125,312	7,447	(82,716)
Total	<u>\$ 1,683,404</u>	<u>\$ 97,317</u>	<u>\$ (1,216,829)</u>

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Millcreek City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

8. RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Defined Contribution Savings Plans (Continued)

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
401(k) Plan*			
Employer contributions	\$ 261,357	\$ 260,538	\$ 214,189
Employee contributions	193,126	174,862	143,063
457 Plan			
Employer contributions	-	-	-
Employee contributions	34,700	28,400	12,552
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	4,810	5,510	7,405

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

9. COMMITMENTS

The City has entered into several contracts with other governmental agencies to provide various services. These services include Public Safety (police and animal services) and Public Works. The term of each of these contracts is one year or less.

10. CONTINGENT LIABILITIES

The City is involved in various claims and legal actions arising in the ordinary course of events. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions and natural disasters. The City participates in the Utah Local Government Insurance Trust, a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2021, there were no outstanding unpaid claims for the City. Also, the City had no claim settlements during the three years ending June 30, 2021 which exceeded its insurance coverage. The City also has fidelity bond coverage with a private carrier.

MILLCREEK
Notes to the Financial Statements (Continued)
June 30, 2021

12. TRANSFERS RECONCILIATION

Transfers among the funds for the year ended June 30, 2021 are described below. Transfers are made to meet the ongoing needs of the City to complete various projects.

	In	Out
General Fund	\$ -	\$ 6,155,183
Capital Projects Fund	6,931,183	-
Storm Water Fund	-	776,000
Totals	<u>\$ 6,931,183</u>	<u>\$ 6,931,183</u>

13. FEDERAL FUNDING RELATED TO COVID-19

In response to the COVID-19 Pandemic, the federal government provided several funding opportunities to local government entities. Specifically, the City has received allocations from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA). During fiscal year 2021, the City received \$3,770,034 from the CARES Act Coronavirus Relief Fund (CRF) via Salt Lake County. The funds were used to pay for public safety service expenses, to help support local businesses, and to facilitate a safe working environment for City employees. Additionally, the City received \$3,989,825 from the ARPA State and Local Fiscal Recovery Fund during fiscal year 2021. The entire amount has been reported as unearned revenue as none of the funds were spent in fiscal year 2021.

14. SUBSEQUENT EVENTS

On August 5, 2021, the City issued Sales Tax Revenue Bonds Series 2021 in the amount of \$36,265,000. The bonds were sold at a premium of \$3,105,424 with an underwriter's discount and bond issuance costs totaling \$370,424, resulting in total proceeds of \$39,000,000. The bonds were issued to finance the cost of new City offices and a community building, including land acquisition and construction, and all other related improvements.

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Interest	\$ 25,000	\$ 5,000	\$ 21,051	\$ 16,051
Miscellaneous	-	1,900,789	-	(1,900,789)
Total revenues	25,000	1,905,789	1,921,840	16,051
<u>EXPENDITURES</u>				
Capital outlay	3,924,597	11,736,569	5,272,313	6,464,256
Total expenditures	3,924,597	11,736,569	5,272,313	6,464,256
Excess (deficiency) of revenues over (under) expenditures	(3,899,597)	(9,830,780)	(3,350,473)	6,480,307
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	6,931,183	6,931,183	-
Transfers out	-	(1,000,000)	-	1,000,000
Total other financing sources	-	5,931,183	6,931,183	1,000,000
Net change in fund balance	(3,899,597)	(3,899,597)	3,580,710	7,480,307
Fund balance at beginning of year	5,835,406	5,835,406	5,835,406	-
Fund balance at end of year	\$ 1,935,809	\$ 1,935,809	\$ 9,416,116	\$ 7,480,307

MILLCREEK
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Park Impact Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Special assessments	\$ -	\$ -	\$ 162,203	\$ 162,203
Total revenues	-	-	162,203	162,203
Net change in fund balance	-	-	162,203	162,203
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 162,203	\$ 162,203

MILLCREEK
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of its Covered Payroll
Noncontributory System	2018	0.1140939%	\$ 840,156	\$ 920,290	91.29%	87.00%
	2019	0.1684213%	634,758	1,297,950	48.90%	93.70%
	2020	0.1752062%	89,871	1,329,498	6.76%	99.20%
Tier 2 Public Employees System	2018	0.0350169%	\$ 14,997	\$ 406,399	3.69%	90.80%
	2019	0.0595987%	13,404	828,342	1.62%	96.50%
	2020	0.0517776%	7,447	827,639	0.90%	98.30%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

MILLCREEK
Schedule of Pension Contributions
Last Ten Fiscal Years

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2018	\$ 83,431	\$ 83,431	\$ -	\$ 451,711	18.47%
	2019	214,893	214,893	-	1,165,396	18.44%
	2020	246,160	246,160	-	1,332,755	18.47%
	2021	253,244	253,244	-	1,371,109	18.47%
Tier 2 Public Employees System*	2018	28,752	28,752	-	190,281	15.11%
	2019	103,052	103,052	-	663,143	15.54%
	2020	128,272	128,272	-	819,108	15.66%
	2021	142,376	142,376	-	901,108	15.80%
Tier 2 Public Employees DC Only System*	2018	942	942	-	14,080	6.69%
	2019	5,844	5,844	-	87,351	6.69%
	2020	15,459	15,459	-	228,177	6.78%
	2021	24,831	24,831	-	369,975	6.71%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

MILLCREEK
Notes to the Required Supplementary Information
June 30, 2021

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes, the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

2. CHANGE IN ASSUMPTIONS

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.



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SHAWN F. MARTIN, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and City Council
Millcreek, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Millcreek, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABME, LLC

December 3, 2021



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AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH
THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE
WITH GENERAL STATE COMPLIANCE REQUIREMENTS,
AND INTERNAL CONTROL OVER COMPLIANCE**

Mayor and City Council
Millcreek, Utah

Report On Compliance with General State Compliance Requirements

We have audited Millcreek, Utah's (the City) compliance with general and major State program compliance requirements described in the *State Compliance Audit Guide* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2021.

General state compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Budgetary Compliance
Fraud Risk Assessment
Government Fees
Impact Fees

Fund Balance
Restricted Taxes and Related Revenues
Enterprise Fund Transfers and Services

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements

In our opinion, Millcreek, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this communication is not suitable for any other purpose.

HBME, LLC

December 3, 2021

MILLCREEK, UTAH
ORDINANCE NO. 21-52

**AN ORDINANCE OF THE MILLCREEK COUNCIL ADOPTING
MILLCREEK'S 2022 REGULAR MEETINGS SCHEDULE**

WHEREAS, the Millcreek Council (the "*Council*") met in regular session on December 13, 2021 to consider, among other things, adopting Millcreek's 2022 regular meetings schedule; and

WHEREAS, Utah Code Ann. § 52-4-202(2) provides that any public body which holds regular meetings that are scheduled in advance over the course of a year shall give public notice at least once each year of its annual meeting schedule; and

WHEREAS, Utah Code Ann. § 10-3-502 provides that the council of each municipality shall, by ordinance, prescribe the time and place for holding its regular meetings which shall be held at least once each month.

NOW, THEREFORE, BE IT ORDAINED by the Council that the attached 2022 meeting schedule be adopted as the regular meetings schedule and the City Recorder is directed to give notice hereof as required by Utah Code Ann. § 52-4-202(2).

PASSED AND APPROVED this 13^h day of December, 2021.

MILLCREEK COUNCIL

By: _____
Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

CERTIFICATE OF POSTING

I, the duly appointed recorder for Millcreek, hereby certify that:
ORDINANCE 21-52: AN ORDINANCE OF THE MILLCREEK COUNCIL ADOPTING
MILLCREEK'S 2022 REGULAR MEETINGS SCHEDULE
was passed and adopted the 13th day of December 2021 and certifies that copies of the foregoing
Ordinance 21-52 were posted in the following locations within the municipality this ____ day of
December, 2021.

1. Millcreek City Hall, 3330 S. 1300 E., Millcreek, UT 84106
2. Millcreek Community Center, 2266 E. Evergreen Ave., Millcreek, UT 84109
3. Calvin S. Smith Library, 810 E. 3300 S., Millcreek, UT 84106

Elyse Sullivan, City Recorder



MILLCREEK MEETING SCHEDULE 2022

All Millcreek meetings and hearings are open to the public and held every month at City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106, unless otherwise posted.

City Council

2nd & 4th Monday

Regular Meeting – 7:00 p.m.

Work Meeting – 5:00 p.m. (as needed)

Meetings conflicting with holidays will be conducted the following Tuesday

January 10	January 24
February 14	February 28
March 14	March 28
April 11	April 25
May 9	May 23
June 13	June 27
July 11	July 26 (Tuesday)
August 8	August 22
September 12	September 26
October 10	October 24
November 14	November 28
December 12	December 27 (Tuesday)

Community Reinvestment Agency

2nd & 4th Monday (as needed, same dates as City Council)

Regular Meeting – 7:00 p.m., or as soon thereafter as the City Council meeting recesses/concludes

Planning Commission

3rd Wednesday

Regular Meeting – 5:00 p.m.

January 19	February 16	March 16	April 20
May 18	June 15	July 20	August 17
September 21	October 19	November 16	December 21

Meeting dates and times are subject to change or cancellation.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during any meeting or hearing should notify City Hall, (801) 214-2700, at least two days prior to the meeting date.

MILLCREEK, UTAH
RESOLUTION NO. 21-41

**A RESOLUTION ACCEPTING THE OUTDOOR RECREATION INFRASTRUCTURE
GRANT IN THE AMOUNT OF \$1,000,000 TO PURCHASE UNDEVELOPED REAL
PROPERTY, LOCATED AT APPROXIMATELY 3885 MILLCREEK CANYON ROAD,
MILLCREEK, UTAH**

WHEREAS, the Millcreek Council ("*Council*") met in regular session on December 13, 2021, to consider, among other things, a resolution accepting the Outdoor Recreation Infrastructure Grant in the amount of \$1,000,000 to purchase undeveloped real property, located at approximately 3885 Millcreek Canyon Road, Millcreek, Utah ("*Property*"); and

WHEREAS, Millcreek together with Salt Lake County applied for the Outdoor Recreation Infrastructure Grant in the amount of \$1,000,000 to purchase the Property; and

WHEREAS, pursuant to an Interlocal Agreement with Salt Lake County the funds from the grant will be deposited in an escrow, title to the Property will be conveyed to Salt Lake County, and Salt Lake County will grant Millcreek a conservation easement; and

WHEREAS, a grant agreement ("*Agreement*") between Millcreek and the State of Utah, Governor's Office of Economic Development regarding the Outdoor Recreation Infrastructure Grant has been presented to the Council for review and approval; and

WHEREAS, the Council finds that it is in the best interest of the City to accept the Outdoor Recreation Infrastructure Grant, approve the Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Council hereby approves and accepts the Outdoor Recreation Infrastructure Grant, the Agreement, and the Mayor and Recorder are hereby authorized and directed to execute the Agreement and make such minor changes and recommendations as they deem necessary and deliver the Agreement on behalf of Millcreek.

THIS RESOLUTION assigned No. 21-41 shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED this 13th day of December, 2021.

MILLCREEK

By: _____
Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No



STATE OF UTAH
The Governor's Office of Economic Opportunity
Office of Outdoor Recreation

GRANT AGREEMENT
Outdoor Recreation Infrastructure Grant

- 1. CONTRACTING PARTIES:** This agreement is between the State of Utah, Governor's Office of Economic Opportunity and the Utah Office of Outdoor Recreation, referred to collectively as the "State", and the following Grantee:

Millcreek
3330 South 1300 East
Millcreek, UT 84106

Contact Person: Laurie Johnson, Finance Director of Millcreek City
Primary Contact Phone #: 801-214-2709
Email: ljohnson@millcreek.us

Legal Status of Grantee: Municipal Corporation
Federal Tax ID: 81-4189711
Vendor #: VC217491

Project Title: Millcreek Rainclouds Acquisition

- 2. GENERAL PURPOSE OF AGREEMENT:** The general purpose of this agreement is to provide terms and conditions under which the Grantee may obtain and maintain eligibility for Bonneville Shoreline Trail Grant funding to acquire land to provide for the continuance of the trail, to maintain and improve the trail, and to keep the trail open for the use by and benefit of the public.
- 3. AUTHORITY:** This Agreement is entered pursuant to the State's authority to administer funds under Utah Code § 63N-9-2 and Utah Administrative Code R357-16.
- 4. CONTRACT PERIOD:**
Beginning Effective Date: September 25, 2021
Completion Date: September 24, 2022
- 5. CONTRACT AMOUNT:** The State awards and the Grantee accepts a potential grant award of up to \$1,000,000 (the "Grant Amount")
- 6. ATTACHMENTS INCLUDED AND MADE PART OF THIS AGREEMENT:**
Attachment A – Standard Terms and Conditions for Grants Between Government Entities
Attachment B – Project Application
Attachment C – Property Acquisition Deed
Attachment D – Escrow Agreement
- 7. DOCUMENTS INCORPORATED BY REFERENCE BUT NOT ATTACHED:**
All governmental laws, regulations, or actions applicable to the grant authorized by this Agreement, including but not limited to Utah Code § 63N-9-2 and Utah Administrative Rule R357-16.
- 8. AGREEMENT EXECUTION:**
Each person signing this Agreement represents and warrants that he/she is duly authorized and has legal capacity to execute and deliver this Agreement and bind the parties hereto. Each signatory represents and warrants to the other that the execution and delivery of the Agreement and the performance of each

party's obligations hereunder have been duly authorized and that the Agreement is a valid and legal contract binding on the parties and enforceable in accordance with its terms. This Agreement is not fully executed until all parties, including but not limited to the Utah Division of Finance, have signed this Agreement.

RECITALS

A. In 2021, the Utah State Legislature provided one-time funding and authorized the Utah Office of Outdoor Recreation to provide a program pursuant to which eligible entities could apply for money from this fund for projects that allow for the acquisition of real estate to preserve land for the continuance of the Bonneville Shoreline Trail or for the construction of projects that provide public access to the Bonneville Shoreline Trail or help to complete sections of this legacy trail.

B. The Project Application contemplates the acquisition of land or real property, as described in the Project Application and the Property Acquisition Deed, set forth more particularly as described in Attachment C (the "Property") to be held by the Grantee.

C. The Office of Outdoor Recreation approved Grantee's Project Application on September 25, 2021 (the "Grant Award Date") subject to the execution of this Agreement and approval of the form of Use Restriction, as defined below in Section 3.

D. Grantee will ensure that the Property shall be held and managed in a manner designed to preserve the public's use of the Bonneville Shoreline Trail, to prevent development that would adversely affect such values, and to ensure public access as required.

AGREEMENT

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

TERMS AND CONDITIONS

1. Grant and Project. Subject to the terms of this Agreement, the State hereby awards to Grantee the sum not to exceed \$1,000,000 (the "Grant" or "Grant Amount"). The Grant shall be used by Grantee solely to complete the acquisition of property as set forth in the Project Application (Attachment C), as approved by the State (the "Project"), and as described in the Property Acquisition Deed (Attachment D). Grantee hereby agrees to use its best efforts to complete the Project according to the timeline outlined in the Project Application, and in no event later than the Completion Date defined in Paragraph 13 below. The Grant Amount is to be used only for eligible costs as specified in Paragraph 4 below. Grantee will obtain the matching contributions (cash and/or in kind) described in the Project Application and will provide documentation of such matching contributions within one year of the Grant Award Date, and in all cases documentation of matching contributions shall be provided prior to the final payment or disbursement of Grant funds from the Escrow Account.

2. Project Scope. The Project shall not be materially modified by Grantee without the prior written approval of the State.

3. Conditions Precedent to Disbursement of Grant. The State shall not be obligated to disburse any funds under this Agreement unless and until the following conditions precedent have been met:

a. Critical Land Use Restriction: The Property interest acquired with State funds shall be held and managed in a manner designed to protect the Property's conservation and recreational values, to prevent any development that diminish or adversely affect such intrinsic characteristic values, and where required, to ensure appropriate public access to the Bonneville Shoreline Trail and to maintain and improve the Property for that purpose. This requirement shall be implemented by inclusion of specific language in a conservation easement (referred to herein as the "Use Restriction"). The Use Restriction shall be acceptable to, and approved by, the State in form and content. All liens, encumbrances, and other use restrictions and interests of record which, in the State's opinion, are inconsistent with the Use Restriction shall be discharged, released or subordinated to the Use Restriction before the State shall release funds for the Grant. The Use Restriction shall be executed in substantially the form attached hereto as Exhibit B. In accordance with the foregoing, the Grantee hereby covenants and agrees with respect to the Use Restriction:

(1) *Recording*. At the time of closing, all documents which evidence the Use Restriction shall be filed of record with the clerks and recorders of each county in which the Property is located.

(2) *Reserved rights*. If at any time, the Property ceases to be used for the purpose intended by this Agreement, then the title or ownership of the Property or Easement (if applicable) shall revert to the State. The Property Acquisition Deed shall reflect this right of reversion. The Grantee shall not enter into any agreement with the owner of the Property allowing owner to reserve any rights, other than those set forth in Exhibit B, the Use Restriction, that are inconsistent with the Use Restriction without the prior written approval of the State.

(3) *Grantee's Rights*. The Use Restriction shall explicitly permit the Grantee to:

- a. Purchase the Property from the owner to preserve and maintain recreational use of the Bonneville Shoreline Trail
- b. Preserve, manage, improve and protect the conservation and recreational values of the Property, and to allow the public's continued use of the Property;
- c. Prevent any activity on or use of the Property that is inconsistent with the purpose of this agreement.
- d. Require the restoration of such areas or features of the Property that may be damaged by any inconsistent use.

(4) *Prohibitions*: At the State's discretion, the Use Restriction may also prohibit uses of the Property that are inconsistent with the purpose of this Agreement.

(5) *Extinguishment of Easement and Condemnation*. If applicable, in the event of condemnation or termination of an easement, or condemnation of the Property, the State shall be entitled to receive that portion of the net proceeds of condemnation or sale of the Property, or any portion thereof, that Grantee as owner would be entitled to receive. At the option of the State, the State's share of the proceeds may be disbursed to the Grantee, but only with prior written permission of the State, and provided that the proceeds shall be used in a manner and for a purpose consistent with the conservation values for which the Grant was made.

(6) *Assignment of Use Restriction*. The Use Restriction is transferable by the Grantee with the prior written consent of the State, but the holder of the Use Restriction may only assign its rights and obligations under the Use Restriction to an organization that is: (a) a qualified organization at the time of transfer under Section 170(h) of the

Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulation promulgated thereunder and (b) authorized to acquire and hold conservation easements under Utah law. As a condition of such transfer, the holder of the Use Restriction shall require that the conservation objectives of the Use Restriction will continue to be accomplished. The State may freely transfer to another entity, all of the State's interests, rights and obligations in the Use Restriction.

(7) *Transfer of Property Interest.* The seller of the Property and the Grantee, or holder of the Use Restriction, shall incorporate the terms of the Use Restriction and this Agreement in any deed or other legal instrument by which the seller or landowner divests itself of any interest in all or a portion of the Property, including without limitation, a leasehold interest. The Grantee or holder of the Use Restriction further agrees to give written notice to the State of the proposed transfer of any interest at least sixty (60) days prior to the date of such transfer. It is the intent of the parties that the covenants, conditions and restrictions associated with the Use Restriction shall run with the land, and shall be recorded against the Property in or with the Property Acquisition Deed.

(8) The Grant funds, once awarded, and at the option and sole discretion of the State, shall be held in an escrow account with a firm selected by the State. The disbursement of funds from the escrow account shall be governed by an Escrow Agreement (Attachment E).

(9) Grant approval is conditioned upon the successful purchase and closing of the Property acquisition or Easement acquisition (if applicable).

b. Review of Documents: Grantee will submit the following information for review and approval by the State:

(1) A detailed budget or accounting (the "Budget") for the Project and all material revisions to this Budget, if any. The Budget shall itemize the sources and uses of all funds and other resources necessary to complete the Project, including, but not limited to, property or easement acquisition costs, payments to landowners or sellers, payments or agreements for payment for overhead or other expenses for participating entities (including non-profits, for profits, individuals, cities, towns, counties, and other governmental entities), donations, commissions, contingent fees and similar type expenses, costs, and use of funds. Allowable costs are described in Paragraph 4 herein. Failure to fully and accurately disclose uses of funds in the Budget may, at the State's discretion, result in termination of this Agreement and any obligation to provide the Grant or any portion thereof.

(2) Where necessary, written evidence that all permits and approvals required for project completion under applicable local, state, and federal laws and regulations have been obtained.

(3) All title and acquisition documents pertaining to the acquisition or encumbrance of the Property, including but not limited to environmental hazards assessments, appraisals, title commitments, purchase or option agreements, use restrictions, escrow or closing instructions, and conveyance instruments.

c. Title Insurance. If the Project involves Property acquisition, then Grantee shall obtain an ALTA Owner's Policy of title insurance for the amount of the Project (the "Title Policy"), but in no event shall the Title Policy amount be less than the amount of the Grant. Grantee shall provide a copy of the Title Policy to the State. The Title Policy shall insure the

Grantee as the owner of the Use Restriction, subject only to restrictions and exceptions which are acceptable to the State.

d. Other Conditions. Disbursement shall also be subject to the following other conditions:

(1) No material modifications or delays have been made or experienced (or the State has been advised of the modifications or delays and has elected to continue to participate in the funding of the Project);

(2) Matching funding has been received (or the status of efforts to secure matching funding has been disclosed to the State and has been deemed satisfactory by the State); and

(3) The representations made to the State in the grant application continue to be true (or, if there have been any material changes, the State has been advised of such changes and has assented to them).

e. Waiver. The State may waive one or more of the previous conditions to disbursement or may allow satisfaction of one or more of these conditions subsequent to disbursement.

4. Eligible Costs. The following costs are eligible for reimbursement under the terms and conditions of this Agreement. The total of all reimbursed costs shall not exceed the Grant Amount.

a. *Interest in Land.* Up to fifty percent of the purchase price of any interest in the real property described in the Project Application, not to exceed the Grant Amount. The purchase price may not exceed the fair market value as established by appraisal. Costs of closing, appraisal, survey fees, inspection fees, escrow agent fees, recording fees, title insurance fees for owner/buyer, may be included, or reimbursed from the Grant Amount. The State may approve in writing, in advance, any other costs submitted by Grantee, to be reimbursed or paid from the Grant Amount.

5. Payment of Grant. Upon satisfaction of all provisions of the conditions precedent to acquisition and disbursement described in Section 3 of this Agreement, or elsewhere (such as in an Escrow Agreement), and only after fulfilling all title insurance and closing requirements, or Escrow Agreement terms and conditions, then the State shall disburse funds for the Grant. Grantee shall submit a request for disbursement to the State within ten (10) business days prior to closing. The request for disbursement shall identify to whom a check is to be made payable and into which account the funds are to be deposited (typically an escrow account with a title company).

6. Documentation of Financial Transactions. Within sixty (60) days after closing or payment of the Grant, whichever occurs later, Grantee shall submit to the State a post-disbursement accounting that includes the information required in the Budget described in Paragraph 3.b.(1) above and a reconciliation of actual-to-budgeted expenses. This post-disbursement accounting shall itemize the sources and uses of funds for the Project that have been received and expended. In addition, Grantee shall submit any other documentation as reasonably requested by the State.

7. Compliance with Regulatory Requirements and Federal and State Mandates. Grantee hereby assumes responsibility for compliance with all regulatory requirements in all applicable areas, including but not limited to nondiscrimination, worker safety, local labor preferences, preferred vendor programs, equal employment opportunity, use of competitive bidding, and other similar requirements. To the extent

permitted by law, Grantee hereby agrees to indemnify, defend and hold harmless the State from any cost, expense, or liability for any failure to comply with any such applicable requirements.

8. Publicity and Project Information. Grantee shall acknowledge State funding in all news releases and other publicity issued by Grantee concerning the Project. If any events are planned in relationship to the Project, the State shall be acknowledged as a contributor in the invitation for the event. The Grantee shall notify the State of any such publicity events at least thirty (30) days prior to when they occur. Grantee shall cooperate with the State in preparing public information pieces, providing slides and photos of the Project from time to time, and providing access to the Property for publicity purposes to the extent allowed by the landowner. The State has the right and shall be provided the opportunity to use any and all information gained from the Project at its sole discretion.

9. Indemnity. Grantee agrees to indemnify, save harmless, and release the State of Utah and all its officers, agents, volunteers, and employees from and against any and all loss, damages, injury, liability, suits, and proceedings arising out of the performance of this Agreement which are caused in whole or in part by the negligence of the Grantee's officers, agents, volunteers, or employees, but not for claims arising from the State's sole negligence.

10. Audits of Records. Grantee shall allow the State, State auditors and State agency staff access to all records pertaining to the Project and to this Agreement, for audit and inspection, and monitoring of performance. Such access will be during normal business hours or by appointment.

11. Withdrawal of State Funding. The State may withdraw its approval of funding to Grantee and cease funding of the Project if, in the State's sole discretion, it determines that conditions have occurred which fundamentally change the expectations of the parties, change the character, scope, schedule or timing of the Project, or have caused it to become materially different from that originally approved by the State. The State may also withdraw funding if there have been delays in the implementation of the Project which, in the State's sole discretion, make the Project infeasible or impracticable.

12. Grantee's Inability to Complete Project. If Grantee determines with reasonable probability that the Project will not or cannot be completed as reflected in the Project Application, Grantee shall promptly advise the State and cooperate in good faith with respect to alternative solutions before any further funds are disbursed by the State.

13. Completion Date. Grantee shall close the acquisition of the real property interest no later than September 24, 2021 which is one calendar year after the date of the State's approval of the Project (the "Completion Date"). Prior to the Completion Date, either party may terminate this Agreement for the reasons provided in Paragraphs 3 and 11 above by providing the other party with at least thirty (30) calendar days' advance written notice.

14. Assignment. Grantee shall not assign its rights or delegate its obligations under this Agreement without the express written consent of the State. Consent to assign the Grant may be withheld in the sole discretion of the State. The State may freely assign this Agreement.

15. Future Funding. The Grant only applies to the purchase of the Property specifically described in this Agreement. The State makes no representations regarding future funding for other projects or properties referenced or described in the Project Application.

16. Breach. In the event that Grantee breaches any of the terms or conditions of this Agreement, the State shall have the following remedies:

- a. Prior to Payment of Grant. The State reserves the right to immediately withdraw funding and/or terminate this Agreement.

b. After Payment of Grant. The State reserves the right to deem Grantee ineligible for participation in future State grants, loans or projects, if Grantee defaults in its obligations hereunder.

c. Return of Grant. The State further reserves the right to demand return of Grant funding.

In addition to the foregoing, the State shall be entitled to pursue any other remedy available at law or in equity.

17. Good Faith. Both parties have an obligation of good faith, including the obligation to make timely communication of information which may reasonably be believed to be of interest to the other party.

18. Applicable Law. Utah law applies to the interpretation and enforcement of this Agreement.

19. Status of Grantee. The parties acknowledge that the State lacks the power and right to direct the actions of Grantee. Grantee acts in its separate capacity and not as an officer, employee, or agent of the State or of the State of Utah.

20. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and the balance of this Agreement shall otherwise remain in full force and effect.

21. Time is of the Essence. Time is of the essence in this Agreement.

22. Survival. The terms and provisions of this Agreement shall survive the funding of the Grant and the acquisition of the real property interest by Grantee. Subsequent to the funding of the Grant, Grantee shall have a number of ongoing obligations.

23. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which, when taken together, shall constitute one Agreement.

24. Third Party Beneficiary. The State and Grantee hereby acknowledge and agree that this Agreement is intended only to cover the relative rights and obligations between the State and Grantee, and that no third-party beneficiaries are intended.

25. Construction. Each party hereto has reviewed and revised (or requested revisions of) this Agreement, and therefore, any usual rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Agreement.

26. Entire Agreement. Except as expressly provided herein, this Agreement constitutes the entire agreement of the parties. No oral understanding or agreement not incorporated in this Agreement shall be binding upon the parties. No changes in this Agreement shall be valid unless made in writing and signed by the parties to this Agreement.

27. Conflicts in Terms. The State has previously approved the form of the Use Restriction attached as Exhibit B. Any conflicts in terms between the terms set forth in this Grant Agreement and Exhibit B, the Use Restriction, shall be resolved in favor of Exhibit B, the Use Restriction.

28. Force Majeure. Neither party shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to uncontrollable forces the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "uncontrollable forces" shall mean any event that results in the prevention or delay of performance by a party of its obligations under

this Agreement and which is beyond the control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquakes, storms, lightning, epidemic, war, riot, civil disturbance, sabotage, inability to procure permits, licenses, or authorizations from any state, local, or federal agency or person for any of the supplies, materials, accesses, or services required to be provided by either party under this Agreement, strikes, work slowdowns or other labor disturbances, and judicial restraint.

(This Section is intentionally left blank, the signature page follows)

DRAFT

IN WITNESS WHEREOF, the parties have signed this Agreement as of the dates below.

STATE:

UTAH OFFICE OF OUTDOOR
RECREATION

Name:

Title:

Date:

GOVERNOR'S OFFICE OF ECONOMIC
OPPORTUNITY

Name:

Title:

Date:

GOVERNOR'S OFFICE OF ECONOMIC
OPPORTUNITY

Name:

Title:

Date:

APPROVED:
DIVISION OF FINANCE

Name:

Date:

GRANTEE:

MILCREEK

Name: Jeff Silvestrini

Title: Mayor

Date:

**ATTACHMENT A: STANDARD TERMS AND CONDITIONS
FOR GRANTS BETWEEN GOVERNMENT ENTITIES**

1. **DEFINITIONS:** The following terms shall have the meanings set forth below:
 1. “**Contract**” means these terms and conditions, the cover pages, and all other attachments and documents incorporated by reference.
 2. “**Grant Money**” means money derived from State fees or tax revenues that are owned, held, or administered by the State.
 3. “**Grantee**” means the individual or entity which is the recipient of Grant Money from the State. The term “Grantee” includes Grantee’s agents, officers, employees, and partners.
 4. “**Non-Public Information**” means information that is deemed private, protected, controlled, or exempt from disclosure under the Government Records Access and Management Act (GRAMA) or as non-public under other applicable State and federal laws. Non-public information includes those records the State determines are protected after having properly received a written claim of business confidentiality as described in Utah Code § 63G-2-309. The State reserves the right to identify additional information that must be kept non-public under federal and State laws.
 5. “**State**” means the State of Utah Department, Division, Office, Bureau, Agency, or other State entity identified on the Contract providing the Grant Money.
 6. “**SubGrantees**” means persons or entities under the direct or indirect control or responsibility of Grantee, including, but not limited to, Grantee’s agents, consultants, employees, authorized resellers, or anyone else for whom Grantee may be liable at any tier, including a person or entity providing or performing this Contract, including Grantee’s manufacturers, distributors, and suppliers.
2. **GOVERNING LAW AND VENUE:** This Contract shall be governed by the laws, rules, and regulations of the State of Utah. Any action or proceeding arising from this Contract shall be brought in a court of competent jurisdiction in the State of Utah. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
3. **LAWS AND REGULATIONS:** At all times during this Contract, Grantee and all acts performed under this Contract will comply with all applicable federal and State constitutions, laws, rules, codes, orders, and regulations, including applicable licensure and certification requirements.
4. **RECORDS ADMINISTRATION:** Grantee shall maintain or supervise the maintenance of all records, receipts and any other documentation necessary to properly account for payments made by the State to Grantee under this Contract. This includes documentation related to Grantee’s performance of the Contract terms, scope of work, project-specific requirements, and outcomes reported to the State by Grantee. These records shall be retained by Grantee for at least six (6) years after final payment, or until all audits initiated within the six (6) years have been completed, whichever is later. Grantee agrees to allow, at no additional cost, State of Utah and federal auditors, State staff, and/or a party hired by the State, access to all records necessary to account for all Grant Money received by Grantee as a result of this Contract and to verify that Grantee’s use of the Grant Money is appropriate and has been properly reported.
5. **INDEPENDENT CAPACITY:** Grantee and SubGrantees, in the performance of this Contract, shall act in an independent capacity and not as officers or employees or agents of the State of Utah agency effectuating this Contract.
6. **INDEMNITY:** Both parties to this Contract are governmental entities as defined in the Utah Governmental Immunity Act (Utah Code Ann. 63G-7-101 et. seq.). Nothing in this Contract shall be

construed as a waiver by either or both parties of any rights, limits, protections or defenses provided by the Act. Nor shall this Contract be construed, with respect to third parties, as a waiver of any governmental immunity to which a party to this Contract is otherwise entitled. Subject to and consistent with the Act, each party will be responsible for its own actions or negligence and will defend against any claims or lawsuit brought against it. There are no indemnity obligations between these parties.

7. **EMPLOYMENT PRACTICES:** Grantee agrees to abide by federal and State employment laws, including: (i) Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; (ii) Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; (iii) 45 CFR 90 which prohibits discrimination on the basis of age; (iv) Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities; and (v) Utah's Executive Order, dated December 13, 2006, which prohibits unlawful harassment in the workplace. Grantee further agrees to abide by any other laws, regulations, or orders that prohibit the discrimination of any kind by any of Grantee's employees.
8. **AMENDMENTS:** This Contract may only be amended by the mutual written agreement of the parties, which amendment will be attached to this Contract. Automatic renewals will not apply to this Contract even if listed elsewhere in this Contract.
9. **TERMINATION:** Unless otherwise stated in this Contract, this Contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. Any material violation of the terms of the program or Contract may give rise to for-cause termination.
10. **NONAPPROPRIATION OF FUNDS, REDUCTION OF FUNDS, OR CHANGES IN LAW:** Upon thirty (30) days written notice delivered to Grantee, this Contract may be terminated in whole or in part at the sole discretion of the State, if the State reasonably determines that: (i) a change in Federal or State legislation or applicable laws materially affects the ability of either party to perform under the terms of this Contract; or (ii) that a change in available funds affects the State's ability to pay under this Contract. A change of available funds as used in this paragraph, includes, but is not limited to, a change in Federal or State funding, whether as a result of a legislative act or by order of the President or the Governor.
11. **WORKERS COMPENSATION INSURANCE:** Grantee shall maintain during the term of this Contract, workers' compensation insurance for all its employees, as well as any SubGrantees as required by law.
12. **PUBLIC INFORMATION:** Grantee agrees that this Contract and invoices will be public records in accordance with the State of Utah's Government Records Access and Management Act (GRAMA). Grantee gives the State express permission to make copies of this Contract, related documents, and invoices in accordance with GRAMA. Except for sections identified in writing by Grantee and expressly approved by the State of Utah Division of Purchasing and General Services, all of which must be in accordance with GRAMA, Grantee also agrees that non-protected portions of Grantee's Application will be a public document, and copies may be given to the public as permitted under GRAMA. The State is not obligated to inform Grantee of any GRAMA requests for disclosure of this Contract, related documents, or invoices.
13. **PAYMENT:** The acceptance by Grantee of final Grant Money payment, without a written protest filed with the State within ten (10) business days of receipt of final payment, shall release the State from all claims and all liability to Grantee. No State payment is to be construed to prejudice any claims that the State may have against Grantee. State may withhold, adjust payment amount, or require repayment of any Grant Money under this Contract that is: provided in reliance on an

inaccurate or incomplete representation, unsupported by sufficient invoices or other documentation, not used by Grantee for the project identified, used for any purpose in violation of the terms of this Contract or in violation of the law, or paid in excess of what is actually owed.

14. **REVIEWS:** The State reserves the right to perform reviews, and/or comment upon Grantee's use of the Grant Money. Such reviews do not waive the requirement of Grantee to meet all of the terms and conditions of this Contract.
15. **ASSIGNMENT:** Grantee may not assign, sell, transfer, subcontract or sublet rights, or delegate any right or obligation under this Contract, in whole or in part, without the prior written approval of the State.
16. **NON-PUBLIC INFORMATION:** If Non-Public Information is disclosed to Grantee, Grantee shall: (i) advise its agents, officers, employees, partners, and SubGrantees of the obligations set forth in this Contract; (ii) keep all Non-Public Information strictly confidential; and (iii) not disclose any Non-Public Information received by it to any third parties. Grantee will promptly notify the State of any potential or actual misuse or misappropriation of Non-Public Information. Grantee shall be responsible for any breach of this duty of confidentiality, including any required remedies and/or notifications under applicable law. Upon termination or expiration of this Contract and upon request by the State, Grantee will return all copies of Non-Public Information to the State or certify, in writing, that the Non-Public Information has been destroyed. This duty of confidentiality shall be ongoing and survive the termination or expiration of this Contract.
17. **PUBLICITY:** Grantee shall submit to the State for written approval all advertising and publicity matters relating to this Contract. It is within the State's sole discretion whether to provide approval, which must be done in writing.
18. **INDEMNIFICATION RELATING TO INTELLECTUAL PROPERTY:** Grantee will indemnify and hold the State harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities, and costs in any action or claim brought against the State for infringement of a third party's copyright, trademark, trade secret, or other proprietary right. The parties agree that if there are any limitations of Grantee's liability, such limitations of liability will not apply to this section.
19. **OWNERSHIP IN INTELLECTUAL PROPERTY:** The State and Grantee each recognize that they have no right, title, interest, proprietary or otherwise in the intellectual property owned or licensed by the other, unless otherwise agreed upon by the parties in writing.
20. **WAIVER:** A waiver of any right, power, or privilege shall not be construed as a waiver of any subsequent right, power, or privilege.
21. **ORDER OF PRECEDENCE:** In the event of any conflict in the terms and conditions in this Contract, the order of precedence shall be: (i) this Attachment A; (ii) Contract signature page(s); (iii) the State's additional terms and conditions, if any; (iv) any other document listed or referenced in Contract; and (v) Grantee's terms and conditions that are attached to this Contract, if any. Any provision attempting to limit the liability of Grantee or limits the rights of the State must be in writing and attached to this Contract or it is rendered null and void.
22. **SURVIVAL OF TERMS:** Termination or expiration of this Contract shall not extinguish or prejudice the State Entity's right to enforce this Contract with respect to any default or defect in the Services that has not been cured.
23. **SEVERABILITY:** The invalidity or unenforceability of any provision, term, or condition of this Contract shall not affect the validity or enforceability of any other provision, term, or condition of this Contract, which shall remain in full force and effect.

24. **ENTIRE AGREEMENT:** This Contract constitutes the entire agreement between the parties and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written.

(Revision date: 21 March 2019)

[Remainder of page is intentionally left blank]

DRAFT

ATTACHMENT B: PROJECT APPLICATION

FY2022 Bonneville Shoreline Land Acquisition Grant

Applicant Anneli Segura

Applicant ID APP-046597

Company Name Millcreek

Recipient Address Millcreek
3330 S 1300 E
Millcreek, UT 84116

Email asegura@millcreek.us

Status Submitted

Application Title: Rainclouds Acquisition

Basic Project and Contact Information

BEFORE BEGINNING: Please read and be familiar with the eligibility requirements, selection process, and reimbursement process outlined in the overview.

HELPFUL TIP: We suggest writing your application answers in a word processor outside of the online application. This will allow you to proofread and edit answers more effectively. Using a word processor easily allows you to keep track of the character count in your response, as there are character limits for some questions. This will also help alleviate connection errors and lost work. Lastly, remember to save your work as you fill out the application.

IMPORTANT: No application deadline extensions will be granted under any circumstance. All responses are extracted completely (without editing from the OOR staff) for all necessary reporting. Please make sure it is well-written and free of grammar and punctuation errors. Provide any links as the full URL; hyperlinked text from a word document will not be preserved when copying and pasting into the application.

Please make sure to **hover your cursor over the question mark that appears near most questions**. This is "help text" and provides additional information about what your response should include.

This section is not scored.

Question: Name or number of the property/land parcel

1636200003

Question: Project Longitude (provide coordinates in Decimal Degrees, e.g., -111.0391):

-111.78

Question: Project Latitude (provide coordinates in Decimal Degrees, e.g., 37.858285):

40.69

Question: Organization's Non-Profit Tax ID (if applicable):

81-4189711

Question: Primary Contact First Name:

Laurie

Question: Primary Contact Last Name:

Johnson

Question: Primary Contact Organization:

Millcreek

Question: Primary Contact Title:

Finance Director

Question: Primary Contact Email:

ljohnson@millcreek.us

Question: Primary Contact Phone:

801-214-2709

Question: Secondary Contact Name:

Francis Lilly

Question: Secondary Contact Title:

Planning and Zoning Director

Question: Secondary Contact Email:

flilly@millcreek.us

Question: Secondary Contact Phone:

Question: Project or organization info website, copy and paste full URL

Funding Request and Applicant Match

NOTE: The Utah Office of Outdoor Recreation makes funding recommendations, based on review of the overall program and budget. Final funding decisions are made at the discretion of the executive director of the Governor's Office of Economic Opportunity after consultation with the director of the Office of Outdoor Recreation.

IMPORTANT: The applicant must show a match that is equal to the Bonneville Shoreline Trail Construction grant given (e.g., \$50,000 match from applicant and partners to receive a \$50,000 grant). Up to half of the match may be in-kind.

Please make sure to **hover your cursor over the question mark that appears near most questions**. This is "help text" and provides additional information about what your response should include.

This section is not scored.

Question: Grant Funding Request for Property Acquisition or Purchase of Easement \$1,000,000.00

Question: Applicant and Partner Cash Match

\$240,500.00

Question: In-Kind Match (All in-kind matches should be for the property acquisition process such as a partial land donation by the owner or an appraisal covered by a 3rd party)

Millcreek and Salt Lake County will provide the in-kind and cash match needed towards the property purchase and other costs related. Appraisals will be conducted by a third party. See budget detail below.

Question: Budget Detail: Provide budget details of property purchase and/or easement purchase. Include all applicable expenses such as appraisals, survey, title work, misc. legal, and closing costs. At this point, amounts may be best estimates.

Estimate costs to Raincloud Acquisition:

Land purchase Price: \$1,200,000. 00

Appraisals: \$6,000.00

Survey work: \$4,500.00

Phase I Environmental Report \$3,500.00

Title work: \$ 2,500.00

Legal: \$6,000.00

Closing costs: \$ 18,000.00

Question: Partnerships: Describe any partnerships, if applicable and the contribution that each organization or entity is providing to leverage funds.

Millcreek and Salt Lake County have entered a partnership for land acquisition to further accommodate the continued development of the Bonneville Shoreline Trail. Millcreek and Salt Lake County will work

with Utah Open Lands in conservation efforts.

Question: Is an independent appraisal needed? Please explain.

An independent appraisal will be conducted and is reflected in the budget costs estimated above.

Project Summary

NOTE: The project summary will provide an opportunity to fully explain the project and its value to the community. Provide any links as the full URL; hyperlinked text from a word document will not be preserved when copying and pasting into the application. Please refer to the program guide for any additional questions.

HELPFUL TIP: We suggest writing your application answers in a word processor outside of the online application as you go. This will allow you to proofread and edit answers more effectively. Using a word processor also easily keeps track of the character count in your response, as there are character limits for some questions. This will also help alleviate connection errors and lost work. Lastly, remember to save your work as you fill out the application.

IMPORTANT: No application deadline extensions will be granted under any circumstance. All responses are extracted completely, without editing from the OOR staff, for all necessary reporting. Make sure it is well-written and free of grammar and punctuation errors.

Please make sure to **hover your cursor over the question mark that appears near most questions**. This is "help text" and provides additional information about what your response should include.

This section is worth 5 points.

Question: Project Abstract: Summarize the project in a concise 2-3 sentence summary.

Millcreek plans to purchase 138 acres of private land from Rainclouds, LLC and Shaw, LLC. The owners are willing to sell the entire parcel for \$1.2 million. Millcreek requests funding from the Governor's Office of Economic Opportunity of \$1 million towards the purchase of the property. Millcreek and Salt Lake County have secured the required matching funds of 20% towards the purchase and costs related. Millcreek commits to a partnership with Salt Lake County and will work closely with Trails Utah and Utah Open Lands to expand conservation of open space in urban settings by supporting increased trail access and accessibility efforts of the Bonneville Shoreline Trail.

Question: Parcel Details: Provide additional details such as parcel size, whether the parcel will be split, number of parcels included in this purchase, info on adjoining property, closest trail segments. etc.

The parcel is 138.73 acres in area. The adjoining property is United States Forest Service (USFS) Land and closest trail segments are the Bonneville Shoreline Trail at the Grandeur Peak trailhead at the mouth of Parley's Canyon and the Rattlesnake Gulch Trail in Millcreek Canyon.

Question: Plans for Future Trail Construction: Describe future trail construction plans and who will undertake the trail construction. How many miles of trail/which segments will this connect to?

The purchase of the land will accommodate approximately two miles of new connection trail between the Rattlesnake Gulch Trail in Millcreek Canyon and the Grandeur Peak Trailhead on the mouth of Parleys

Canyon. Development of the new section of the Bonneville Shoreline Trail will be undertaken by Millcreek and Salt Lake County.

Question: Terms of Easement (if applicable)

N/A

Question: Timeline: The property purchase should be able to be completed within 24 months' time. Please provide details and best estimates for the process from negotiation to closing. After purchase, when might trail work begin?

Millcreek anticipates that the sale of the Rainclouds parcels will be completed within 24 months of awarded funding. Funds will be pursued simultaneously to secure trail construction to begin in 2024.

Question: Ownership/Management/Maintenance: Post-sale, who will have the long-term ownership of this property? After BST trail segment is built, who will be responsible for all maintenance of this section of the trail?

In the past, Salt Lake County has worked closely with the USFS who assume and maintain trails on county land that are adjacent to USFS. Millcreek and Salt Lake County will work in partnership with the USFS for long-term maintenance of the trail. The parcel sits on the county property line to Forest Service land therefore; both Millcreek and Salt Lake County will develop a specific collective agreement with USFS around trail construction and long-term maintenance as well as conservation, and preservation outreach efforts. Salt Lake County will likely own the open space, while Millcreek will hold a conservation easement on the land.

Required Supportive Materials and Attachments

NOTE: For each question, click "Choose File," select the correct file you would like to attach and then click "Upload." When using supplied templates, be sure to download, complete, and then re-upload otherwise they will upload as blank. Save the page before moving on to the next section. Individual attachments should not exceed 20 MB.

[Use this link](#) (linked text) for the **Statement of Responsibility**.

[Use this link](#) (linked text) for the required **BST Budget Spreadsheet**.

[Use this link](#) (linked text) for the **W-9 tax form**.

Please make sure to **hover your cursor over the question mark that appears near most questions**. This is "help text" and provides additional information about what your response should include.

This section is worth 5 points.

Question: Landowner Letter: Please attach a letter of intent from the current landowner that while non-binding, demonstrates their commitment to enter into real estate negotiations.

[landowner letter.pdf](#) (8/26/2021 4:32 PM)
[statement_responsibility_signed.pdf](#) (8/26/2021 4:02 PM)

Question: Appraisal: Provide the most recent qualified land appraisal that is specific to the site. (But

before funding is awarded, a more recent appraisal will be required if the appraisal is less than 12 months old)

[2021 Bonneville Shoreline Grant Budget.xlsx](#) (8/27/2021 9:39 AM)

[3885 Millcreek Canyon Road in Millcreek - Appraisal \(Dave\)_Final_compressed.pdf](#) (8/26/2021 2:29 PM)

Question: Photos: Attach any photos that show the property (Optional)

[satellite map.png](#) (8/26/2021 2:31 PM)

Question: Map(s):provide a map of the parcel showing its boundaries and its position relative to other properties and note where the BST trail alignment would go.

[ANSI - 11x17 - Landscape - Reduced.pdf](#) (8/27/2021 8:49 AM)

Question: Letters of Commitment, if applicable: If you have partners who are providing additional funding, please provide documentation in the form of letters of commitment for project assistance.

[BST UORG Support Letter for Millcreek - Signed.pdf](#) (8/27/2021 9:56 AM)

Question: Letters of support: Provide LOS from at least TWO of the following: a relevant local nonprofit organization, a local/neighboring government entity, one of your Utah Legislative representatives

[TU Support for UOOR BST Grants Trail Construction.docx](#) (8/30/2021 12:33 PM) [Millcreek Rainclouds](#)

[Purchase Endorsement from BST Committee.pdf](#) (8/26/2021 8:55 AM)

[BST UORG Support Letter for Millcreek - Signed.pdf](#) (8/18/2021 3:04 PM)

Question: W-9: Fill out and attach the W-9 tax form provided above. [W9 Mayor 2020.pdf](#) (8/11/2021

12:24 PM)

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ATTACHMENT C: PROPERTY ACQUISITION DEED

To be completed at the time of property acquisition.

DRAFT

ATTACHMENT D: ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is dated as of _____ by and between the **State of Utah, Office of Outdoor Recreation** (the “**State**”), and **Millcreek**, a political subdivision of the State of Utah (the “**Grantee**”), and _____ (the “**Escrow Agent**”).

RECITALS

A. State and Grantee have entered into a Grant Agreement even date herewith, among other documents and instruments associated with this real estate transaction (referred to collectively as the “**Grant Documents**”), whereunder State and Grantee have agreed that a portion of Grant funds to be paid by State to Grantee, or by State to a seller, as contemplated by the Grant Documents will be used by Grantee to purchase real property (“**Property Acquisition**”), and such real property is described more particularly in **Exhibit A**, attached hereto, and also described in Attachment D to the Grant Agreement (the “**Property**”). The amount of the Grant is \$ _____ (the “**Grant Funds**”). After execution of the Grant Documents and this Escrow Agreement, the Grant Funds shall be disbursed by State to the Escrow Agent to be held in escrow and only paid to Grantee, or to a designated seller, in accordance with the terms of this Escrow Agreement.

B. State and Grantee desire to enter into this Escrow Agreement to retain the Escrow Agent, to hold the Grant Funds and only disburse them as set forth in the terms of the Grant Documents and this Escrow Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, State and Grantee agree as follows:

AGREEMENT

1. Capitalized Terms. Except as otherwise expressly defined herein, all capitalized terms used in this Escrow Agreement shall have the meanings given such terms in the Grant Documents.

2. Retention of Grant Funds. Upon execution of the Grant Documents, with the purpose of the purchase of the Property, the State shall deposit with Escrow Agent the amount of Grant Funds. The Escrow Agent shall retain the Grant Funds in an escrow account maintained by Escrow Agent and its financial institution (the “**Escrow Account**”). State and Grantee understand and agree that the Grant Funds may be comingled with other funds held by Escrow Agent or its financial institution for other unrelated projects or transactions. The Escrow Account as it pertains to the Grant Funds shall be administered in accordance with the terms and provisions of this Escrow Agreement, and subject to any relevant state or federal law. Any interest earned on the funds in the Escrow Account shall belong to Escrow Agent and shall not be added to or considered a part of the Grant Funds.

3. Disbursement of Grant Funds. All payments from the Escrow Account shall be paid by Escrow Agent only in accordance with written instructions or application for payment received from, and signed by, both Grantee and State. Each such application must be accompanied by written payment instructions authorizing the Escrow Agent to pay funds to the seller of real property, identified therein (with information including, but not limited to: name and address of seller, name and address of seller’s financial institution, wiring instructions, seller’s bank account information, date that payment shall be made, and amount of payment, etc.). No funds shall be released from the Escrow Account until the real

estate purchase transaction closing is complete and the related Property Acquisition Deed has been executed and delivered to the Escrow Agent to be recorded in the county where the Property is located.

4. Time for Completion. State requires the Property Acquisition be completed in a timely, expedited manner by the _____ (the “**Completion Date**”).

a. Failure to complete the Property acquisition by the Completion Date will constitute a default under the Grant Documents, including without limitation a default under this Escrow Agreement. If by the time of the Completion Date the Property acquisition has not closed, then the Escrow Agent shall remit the Grant Funds back to the State.

b. During the term of this Escrow Agreement, Grantee agrees that if after ten (10) business days written notice from State to Grantee (calculated from the date of delivery), that if Grantee remains non-responsive, then State may, at its sole discretion, provide Escrow Agent with a copy of the notice, together with instructions for the Escrow Agent to remit the funds to the State. Upon receipt of the notice and instructions, Escrow Agent shall remit the Grant Funds back to the State.

6. Costs. Wiring fees for payments or disbursements shall be paid and reimbursed from the Grant Funds.

7. In the event conflicting demands are made or conflicting notices are served upon Escrow Agent with respect to this Escrow Agreement, the parties expressly agree that Escrow may withhold all further proceedings in, or performance of, this escrow pending joint instructions, or file suit in interpleader and obtain an order from the court requiring the parties to litigate their several claims and rights between themselves.

8. Miscellaneous Provisions.

8.1 Time of the Essence. Time shall be of the essence in every particular of this Escrow Agreement.

8.2 Entire Agreement. This Escrow Agreement and the documents referred to herein constitute entire agreement between the parties with respect to the disbursements of funds as provided herein and supersede all prior negotiations or agreements with respect thereto.

8.3 Headings. The headings used in this Escrow Agreement are inserted solely for convenience of reference.

8.4 Binding Effect. This Escrow Agreement shall be binding upon the parties hereto and their respective successors and assigns.

8.5 Notices. Any and all notices required or permitted under this Escrow Agreement shall be given and received in accordance with the notice provisions of the Grant.

8.6 Waiver; Modification. No right under this Escrow Agreement may be waived and no modification or amendment of this Escrow Agreement may be made, except by written agreement executed by the party or parties against which enforcement of such waiver, modification or amendment is sought.

8.7 Choice of Law, Venue, Jurisdiction. In the event a dispute arises out of this Escrow Agreement, then the parties agree the dispute shall be heard in the Third District Court, Salt Lake County, State of Utah. This Escrow Agreement shall be governed by the laws of the State of Utah.

8.8 Counterparts. This Escrow Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Faxed or emailed signatures and delivery shall be binding on the parties and effective for all purposes.

[This section left blank intentionally, signature page follows on the next page]

DRAFT

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date first above written.

STATE:

OFFICE OF OUTDOOR RECREATION

By: _____

Name: _____

Title: _____

Date: _____

GRANTEE:

MILLCREEK

By: _____

Name: _____

Title: _____

Date: _____

ESCROW AGENT

_____ Title Company

By: _____

Name: _____

Title: _____

Dated: _____

Exhibit A

Real Property Description

DRAFT

MILLCREEK, UTAH
RESOLUTION NO. 21-42

**A RESOLUTION OF THE MILLCREEK COUNCIL APPROVING AN INTERLOCAL
COOPERATIVE AGREEMENT WITH SALT LAKE COUNTY FOR THE JOINT
PURCHASE OF UNDEVELOPED REAL PROPERTY, LOCATED AT
APPROXIMATELY 3885 MILLCREEK CANYON ROAD, MILLCREEK, UTAH**

WHEREAS, the Millcreek Council ("*Council*") met in regular session on December 13, 2021, to consider, among other things, approving an Interlocal Cooperative Agreement with Salt Lake County for the joint purchase of undeveloped real property, located at approximately 3885 Millcreek Canyon Road, Millcreek, Utah ("*Property*"); and

WHEREAS, the Utah Local Cooperative Act (Utah Code Ann. § 11-13-101, *et seq.*) (the "*Act*") provides that two or more entities are authorized to enter into agreements with each other for joint or cooperative action; and

WHEREAS, Salt Lake County ("*County*") and Millcreek are public agencies, as contemplated in the Act, and the services contemplated are joint and cooperative actions, as contemplated in the Act; and

WHEREAS, the County and Millcreek desire to enter into an interlocal cooperative agreement for the joint purchase of the Property; and

WHEREAS, the Council has determined that it is in the best interest of the inhabitants of Millcreek to enter into an interlocal agreement to purchase the Property; and

WHEREAS, a copy of the interlocal cooperative agreement has been presented to the Council for review and approval, a copy of which is attached hereto ("*Agreement*"); and

WHEREAS, the Agreement sets forth the purpose thereof, the extent of participation of the parties, and the rights, duties, and responsibilities of the parties.

NOW, THEREFORE, BE IT RESOLVED that the Agreement is approved, and that the Mayor and Recorder are hereby authorized and directed to execute and deliver the same.

This Resolution assigned No. 21-42, shall take effect immediately on passage.

PASSED AND APPROVED by the Millcreek Council this 13th day of December, 2021.

MILLCREEK COUNCIL

By: _____
Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

INTERLOCAL COOPERATION AGREEMENT

**Between
SALT LAKE COUNTY
And
MILLCREEK**

THIS INTERLOCAL COOPERATION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 2021, by the between SALT LAKE COUNTY, a body corporate and politic of the State of Utah ("County") and MILLCREEK, a municipal corporation of the State of Utah ("City"). County and City are referred collectively to as the "Parties".

RECITALS

A. UTAH CODE ANN. §11-13-202 and other provisions of the Interlocal Cooperation Act (codified as UTAH CODE ANN. § 11-13-101, *et seq.*) (the "*Act*") provides that any two or more public agencies may enter into an agreement with one another for joint or cooperative actions.

B. UTAH CODE ANN. §11-13-214 provides that any public agency may convey property to or acquire property from any other public agencies for consideration as may be agreed upon.

C. The County and the City are public agencies for purposes of the Act, including Utah Code Ann. § 11-13-214.

D. The Parties are jointly working to acquire a parcel of undeveloped real property, known as Parcel No. 16-36-200-003, located in the City, approximately 8 miles southeast of Salt Lake City, on the east side of Salt Lake County at approximately 3885 Millcreek Canyon Road, Millcreek Utah, 84109 (the "Property").

E. The Parties have identified a means to acquire the Property, maintain it as open space, and protect it from development by the County depositing into an escrow ("Escrow") a total of \$250,000 and a conservation easement in substantially the form attached hereto as Exhibit A, which will be updated as provided herein ("Conservation Easement") and the City delivering or causing to be delivered a deposit into the Escrow \$1,000,000.00 obtained from a Utah Office of Outdoor Recreation grant (the "Grant"). The Escrow pursuant to an escrow agreement in the form attached hereto will cause a deed in the form attached hereto as Exhibit B ("Deed") to be recorded conveying the Property to the County, disperse the funds held by the Escrow as set forth in a closing statement approved by the Parties, and cause the Conservation Easement to be recorded granting the City the Conservation Easement.

F. The Parties, wishing to memorialize their arrangement, enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the

Parties agree as follows:

1. Conveyances and Deposits:

Upon the terms and subject to the conditions set forth herein, the County hereby agrees to deposit the amount of \$250,000 and the Conservation Easement into the Escrow and the City will deliver or cause to be delivered a deposit of \$1,000,000 into the Escrow. The escrow agent pursuant to the Escrow will cause the Deed to be recorded conveying the Property to the County, disperse the funds held by the Escrow as set forth in a closing statement approved by the Parties, and as provided below, cause the Conservation Easement to be recorded granting the City the Conservation Easement.

2. Consideration

The Parties agree that pursuant to UTAH CODE ANN. §11-13-214 that the conveyance of the Property and the grant of the Conservation Easement to the respective Parties constitutes adequate consideration.

3. Duration and Termination

This Agreement shall take effect upon execution and terminate upon the performance by the parties of all the obligations described herein. The parties intend that the delivery of the complete Conservation Easement to the escrow agent for recording shall be accomplished as soon as the Baseline Documentation is prepared and attached as an exhibit to the Conservation Easement and any modifications to the Conservation Easement necessary to make it consistent with the Baseline Documentation have been adopted and approved by both parties in writing, but no later than one year from the date this Interlocal is signed by the last Party to sign it (as indicated by the date stated under that Party's signature). Any provision of this Agreement which contemplates performance subsequent to the expiration or earlier termination of this Agreement shall so survive such expiration or termination and shall continue in full force and effect until fully satisfied, but in no event shall this Agreement have a term longer than 50 years.

4. Additional Interlocal Act Provisions. In compliance with the requirements of the Act and other applicable law:

(a) No Interlocal Entity. The parties agree that they do not by this Agreement create an interlocal entity.

(b) Joint Board. As required by UTAH CODE ANN. § 11-13-207, the parties agree that the cooperative undertaking under this Agreement shall be administered by a joint board consisting of the County's Mayor or designee and the City's designee. Any real or personal property used in the parties' cooperative undertaking herein shall be acquired, held, and disposed in accordance with this Agreement.

(c) Financing Joint Cooperative Undertaking and Establishing Budget. There is no

financing of joint or cooperative undertaking and no budget shall be established or maintained.

(d) Attorney Review. This Agreement shall be reviewed as to proper form and compliance with applicable law by the authorized attorneys for County and City in accordance with UTAH CODE ANN. § 11-13-202.5.

(e) Copies. Duly executed original counterparts of this Agreement shall be filed with the keeper of records of each party, pursuant to UTAH CODE ANN. § 11-13-209.

(f) Manner of Acquiring, Holding or Disposing of Property. The Property shall be acquired, held or disposed of pursuant to this Agreement and unless agreed to herein shall not be used in a joint or cooperative undertaking.

5. General Provisions. The following provisions are also integral parts of this Agreement:

(a) Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

(b) Captions. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to define, limit, extend, describe, or affect in any way the meaning, scope or interpretation of any of the terms or provisions of this Agreement or the intent hereof.

(c) Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures upon any counterpart were upon the same instrument. All signed counterparts shall be deemed to be one original.

(d) Severability. The provisions of this Agreement are severable, and should any provision hereof be void, voidable, unenforceable or invalid, such void, voidable, unenforceable, or invalid provision shall not affect the other provisions of this Agreement.

(e) Waiver of Breach. Any waiver by either party of any breach of any kind or character whatsoever by the other, whether such be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement.

(f) Cumulative Remedies. The rights and remedies of the parties hereto shall be construed cumulatively, and none of such rights and remedies shall be exclusive of, or in lieu or limitation of, any other right, remedy, or priority allowed by law.

(g) Amendment. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

(h) Time of Essence. Time is the essence in this Agreement.

(i) Interpretation. This Agreement shall be interpreted, construed, and enforced according to the substantive laws of the state of Utah.

(j) Notice. Any notice or other communication required or permitted to be given hereunder shall be deemed to have been received (a) upon personal delivery or actual receipt thereof or (b) within three (3) days after such notice is deposited in the United States mail, certified mail postage prepaid and addressed to the parties at their respective addresses.

(k) Exhibits and Recitals. The Recitals set forth above and all exhibits to this Agreement are incorporated herein to the same extent as if such items were set forth herein in their entirety within the body of this Agreement.

(l) Governmental Immunity. Both parties are governmental entities under the Governmental Immunity Act, UTAH CODE ANN. § 63G-7-101, *et seq.* (the “Immunity Act”). Consistent with the terms of the Immunity Act, the parties agree that each party is responsible and liable for any wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. Neither party waives any defenses or limits of liability otherwise available under the Immunity Act and all other applicable law, and both parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.

(m) Ethical Standards. The parties hereto represent that they have not: (a) provided an illegal gift or payoff to any officer or employee, or former officer or employee, or to any relative or business entity of an officer or employee, or relative or business entity of a former officer or employee of the other party hereto; (b) retained any person to solicit or secure this Agreement upon any contract, agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards set forth in State statute or County’s Ethics, Gifts and Honoraria ordinance (Chapter 2.07, SALT LAKE COUNTY CODE OF ORDINANCES [2001]); or (d) knowingly influenced, and hereby promise that they will not knowingly influence, any officer or employee or former officer or employee to breach any of the ethical standards set forth in State statute or County ordinances.

IN WITNESS WHEREOF, the parties have subscribed their names and seals the day and year first above written.

SALT LAKE COUNTY

By _____
Mayor Jennifer Wilson or Designee

Approved as to Form and Legality:

By _____
R. Christopher Preston
Deputy District Attorney

MILLCREEK

By _____

Mayor or Designee

ATTEST:

Recorder

Approved as to Form and Legality:

Attorney for Millcreek

Exhibit A
(Conservation Easement)

Exhibit B

(Deed)

MILLCREEK, UTAH
RESOLUTION NO. 21-43

**A RESOLUTION OF THE MILLCREEK COUNCIL AUTHORIZING A UTAH STATE
INFRASTRUCTURE BANK LOAN IN THE AMOUNT OF \$5,200,000 FOR THE 2000
EAST STREET PROJECT AND VARIOUS OVERLAYS**

WHEREAS, the Millcreek Council (“Council”) met in regular meeting on December 13, 2021, to consider, among other things authorizing a Utah State Infrastructure Bank Loan in the amount of \$5,200,000 for the 200 East Street project and various overlays (collectively the “Project”); and

WHEREAS, Utah Code section 72-2-202 created a revolving fund called the Utah State Infrastructure Bank Fund (the “SIB Fund”) and authorized the Utah Department of Transportation (UDOT) to use moneys in the SIB Fund to make infrastructure loans to cities for transportation projects, including the construction or improvement of parking facilities; and

WHEREAS, Millcreek (the “City”) applied for a \$5,200,000 infrastructure loan (“SIB Loan”) for the Project; and

WHEREAS, the SIB Loan will bear interest at rate of the bond rate plus 0.5% with a loan term will be 15 years, the first payment will be due May 31, 2022, and the City will pledge all or a portion of its sales tax revenue as a revenue source to repay the SIB loan; and

WHEREAS, to secure the repayment of the SIB Loan, the City will pledge the funds allocated to it by H.B. 244 (2021); and

WHEREAS, Utah Code section 72-2-204 requires that the City, before obtaining the SIB Loan, (1) publish its intention to obtain the SIB Loan in accordance with the publication of notice requirements of Utah Code section 11-14-316 and (2) adopt an ordinance or resolution authorizing the SIB Loan; and

WHEREAS, in compliance with Utah Code section 72-2-204(6), the Council desires to authorize the City to enter into the SIB Loan for the Project and approve the City entering into a loan agreement and other loan-related documents in connection with the SIB Loan.

NOW, THEREFORE, BE IT RESOLVED by the Council as follows:

Section 1. The Council hereby authorizes the City to enter into the SIB Loan for the Project and approves the City entering into a loan agreement and other loan-related documents in connection with the SIB Loan and give the required notice.

Section 2. This Resolution assigned No. 21-43, shall take effect immediately on passage.

PASSED AND APPROVED by the Millcreek Council this 13th day of December 2021.

MILLCREEK COUNCIL

By: _____
Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

Millcreek City Council
Jeff Silvestrini, Mayor
Silvia Catten, District 1
F. Dwight Marchant, District 2
Cheri Jackson, District 3
Bev Uipi, District 4



Millcreek City Hall
3330 South 1300 East
Millcreek, Utah 84106
801-214-2700
millcreek.us

Utah Department of Transportation
4501 South 2700 West, Box 143600
Salt Lake City, Utah 84114-3600

October 11, 2021

To Whom It May Concern:

This letter is to formally request a State Infrastructure Bank (SIB) loan using bond proceeds from the recently passed HB 244 which became Utah Code 72-2-121 providing for UDOT to bond for up to \$30,000,000 for loan funds to be made available to eligible cities. Millcreek City is an eligible city and is requesting a \$5,200,000 SIB loan with a 15 year term. The City understands and agrees that to comply with the statute, the loan's interest rate will be the bond rate plus 0.5%. The City's understanding is that the 0.5% additive will be refunded to the City at the end of the term.

Millcreek understands that if the Transportation Commission approves the loan, the City will comply with the SIB statute's public notice and adoption of an ordinance/resolution authorizing the loan prior to UDOT issuing the bond and disbursing the funds.

Thank you,

A handwritten signature in blue ink, appearing to be "JS", is written over a blue circular stamp.

Jeff Silvestrini
Mayor

MILLCREEK UTAH
RESOLUTION NO. 21-44

**A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR TO ENTER INTO
A CONTRACT WITH MIKE WINDER AS CITY MANAGER**

WHEREAS, the Millcreek Council (“Council”) met in regular meeting on December 13, 2021, to consider, among other things, authorizing and directing the Mayor to enter into contract with Mike Winder as City Manager; and

WHEREAS, the Mayor as City Manager has decided to relinquish his duties as City Manager and the Council has determined to appoint Mike Winder as the new City Manager; and

WHEREAS, a copy of a contract/agreement for the city manager (“Agreement”) is attached hereto; and

WHEREAS, after careful consideration the Council has determined that it is in the best interest of health, safety, and welfare of the citizens of the City to approve the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Council that the Agreement is approved and the Council hereby authorizes and directs the Mayor and Recorder to execute and deliver the Agreement.

PASSED AND APPROVED by the Council this 13th day of December, 2021.

MILLCREEK COUNCIL

Jeff Silvestrini, Mayor

ATTEST:

Elyse Sullivan, City Recorder

Roll Call Vote:

Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

AGREEMENT FOR EMPLOYMENT

THIS AGREEMENT made and entered into this ____ day of December 2021, by and between Millcreek, a Utah Municipal Corporation (hereinafter “City), and Michael K. Winder, an individual person (hereinafter “MKW”).

WITNESSETH THE PARTIES HERETO:

WHEREAS: City desires to employ the services of MKW as the City’s Chief Appointed Official (hereinafter referred to as “City Manager”) pursuant to the provisions of Utah Code Title 10-3b-403; and

WHEREAS: City believes the employment of MKW as the City Manager will improve and enhance the effectiveness and efficiency of City operations; and

WHEREAS: It is the desire of the Mayor and City Council (hereinafter “Governing Body”) of the City to:

1. Secure and retain the services of MKW and to provide inducement for him to remain in such employment;
2. To make possible full work productivity by assuring to MKW morale and peace of mind with respect to future employment security;
3. To establish the employment expectations of the City for MKW;
4. To establish a just means of compensation for the employment of MKW; and
5. To provide a just means of compensation for the separation of MKW from the City’s employment; and

WHEREAS: MKW desires to be employed by the City as the Millcreek City Manager.

NOW, THEREFORE, in consideration of the premises, mutual covenants, and undertakings, the parties hereby agree as follows:

SECTION 1. DUTIES.

- 1.1 MKW shall be the City’s Chief Administrative Officer (City manager) to whom all employees of the City shall report. All City employees make up the administrative service of the City and, as such, all City employees are subordinates of the City Manager.
- 1.2. MKW shall be responsible to the Governing Body for the day-to-day operations of the City and for such other professional duties as assigned or needed.
- 1.3 MKW shall have the right to attend and participate in meetings of the Governing Body (City Council Meetings), but shall not have a right to vote in said meetings.
- 1.4 MKW will present ideas and make suggestions to the Governing Body, and shall advise the Governing Body on matters of policy, procedure, and business requiring Governing Body approval or awareness. MKW shall use his best efforts

to lawfully implement the final decisions of the Governing Body, and shall represent and defend the final decisions of the Governing Body.

- 1.5 MKW shall be employed by the City with the title of City Manager, and shall carry out such duties and functions as set forth in State and Federal Law, City Ordinances and Policy, Employee Handbook, and as set forth in an adopted City Manager Job Description.

SECTION 2. COMPENSATION – SALARY.

MKW's annual salary will be \$_____ and paid in accordance with the City's payroll practices. Such salary may be adjusted from time to time by the Governing Body as approved in the City's Fiscal Budget.

SECTION 3. COMPENSATION – BENEFITS.

- 3.1 All provisions of the City Employee Handbook and policies regarding management employees and subsequently adopted City Personnel Policies and Procedures Manual and other rules and regulations relating to sick or personal leave, retirement and pension system contributions, holidays, health, dental and life insurances, administrative leave, FMLA leave, and other fringe benefits and working conditions shall also apply to MKW, in addition to said benefits enumerated specifically for the benefit of MKW, as provided herein.
- 3.2 The City shall pay the full premium for MKW and his immediate family's for Millcreek's health plans, which may include health, vision, and dental.
- 3.3 The City hereby grants to MKW an annual accrual of 240 hours earned at an accrual rate of 9.23 hours per pay period (26 pay periods per year) with no maximum accrual of paid time off.
- 3.4 The City shall pay the required premiums on term life on MKW similar to those furnished to other City employees.
- 3.6 Any future requirements made by the Federal or State Government which would be paid by the City for its employees shall also be paid by the City for MKW.

SECTION 4. DUES, SUBSCRIPTIONS AND PROFESSIONAL DEVELOPMENT.

- 4.1 The City shall provide through the budgetary process, resources for MKW to pay all professional licensing fees and professional association membership dues as are required or reasonably appropriate for the employment and development of MKW as the City Manager.
- 4.2 The City shall provide through the budgetary process, resources for MKW to attend luncheons, the Utah City Management Association meetings, Utah League of Cities and Towns meetings, and the Utah Economic Development Alliance meetings for continued education. MKW may attend such other courses, seminars, conferences, as budgeted. MKW is expected, when reasonably appropriate and feasible, to pursue and attend official functions on behalf of the City.

- 4.3 The City will reimburse MKW for certain expenses of an “out-of-pocket” or general job affiliated nature as set forth in the Employee Handbook.

SECTION 5. BONDING.

- 5.1 The City shall pay the cost of a fidelity bond or other bonds required by law for MKW or as deemed advisable by the Governing Body.

SECTION 6. TERM OF AGREEMENT.

- 6.1 The term of this agreement shall be for a period of three (3) years beginning effective March 7, 2022 and ending March 7, 2025. This agreement may be renewed at any time by mutual agreement of the parties hereto prior to the expiration of such three (3) year term.
- 6.2 The term of this agreement may be extended on a month-to-month basis following the expiration of such three (3) year term pending active negotiations for a new agreement. Said active negotiation period may extend for up to six (6) months. In the event a new agreement is not mutually accepted by the parties within the six (6) month extended period, this agreement shall be deemed terminated by the City.
- 6.3 Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the City to terminate the services of MKW at any time, subject to the provisions of this agreement.
- 6.4 Nothing in this agreement shall prevent, limit or otherwise interfere with the right of MKW to resign his position with the City upon thirty (30) days written notice to the City.
- 6.5 Nothing in this agreement shall prevent the parties from mutually agreeing to the termination of this agreement and renegotiating the severance for such mutually agreed upon termination.

SECTION 7. TERMINATION AND SEVERANCE.

- 7.1 Termination of this agreement by the City occurs as follows:
- A. The City reduces the salary or other financial benefits of MKW in a greater percentage than an applicable average across-the-board reduction for all employees of the City; or
 - B. The City is in default of any of the provisions of this agreement, and fails to cure the default within thirty (30) days from receipt of written notice of such default; or
 - C. The City terminates MKW’s employment with the City; or
 - D. The City fails to renew this agreement for any reason prior to the agreement expiration date or such expiration date as shall be extended through subsequent renewals of this agreement, or the City fails to enter into a mutually acceptable renegotiated agreement between the parties; or
 - E. The City changes its form of government from the Manager by Ordinance Utah

Code 10-3b, et seq. form of government to any other form of government;
or

F. MKW resigns from the City's employ following a request from a majority of the Governing Body that he resign his position.

7.2 In the event MKW is terminated by the City, as set forth herein, the City agrees to compensate MKW as follows:

- A. An amount equal to MKW's accrued and unpaid salary to the date of termination, as in effect at the time of the termination less applicable taxes and other withholdings; and
- B. An amount equal to the accrued and unpaid health and dental insurance premiums through the end of the month of the date of terminations for MKW and family members, as in effect at the time of the termination less applicable taxes and other withholdings; and
- C. An amount equal to the accrued and unpaid term life insurance premium on MKW, as in effect at the time of the termination less applicable taxes and other withholdings; and
- D. An amount equal to the accrued and unpaid retirement benefit to the date of termination paid for MKW, as in effect at the time of the termination less applicable taxes and other withholdings; and
- E. An amount equal to one hundred percent (100%) of all paid time off accruals as of the time of the termination less applicable taxes and other withholdings; and
- F. A severance package equal to six months of salary less applicable taxes and other withholdings.

7.3 In the event MKW is terminated at any time because of a criminal conviction from an illegal act involving a felony, moral turpitude, or because of malfeasance in office, the City shall have no obligation to pay the compensation designated in section 7.2 F.

7.4 In the event MKW voluntarily resigns his employment with the City, upon written notice, and the resignation shall constitute a termination, as set forth above.

SECTION 8. NOTICES.

Notices pursuant to this agreement may be made by deposit of postage paid, certified mail, or hand delivery, in person, as follows (or to such other address as may be subsequently designated by the parties hereto):

To the City:
Mayor
Millcreek City Hall
3330 South 1300 East
Millcreek, UT 84106

To MKW:
Michael K. Winder
4165 South 4400 West
West Valley City, UT 84120

SECTION 9. GENERAL PROVISIONS.

- 9.1 The terms herein shall constitute the entire agreement between the parties and any changes shall be reduced to writing and agreed upon by both parties.
- 9.2 This agreement shall be binding upon the parties and inure to the benefit of the heirs at law and executors of MKW. In the event of the death of MKW during the effect of this agreement, then any and all separation amounts due or owing pursuant to this agreement shall be paid as a death benefit to the heirs at law or executors of MKW.
- 9.3 This agreement shall become effective as of March 7, 2022 if both parties have signed this agreement.
- 9.4 The parties presume and intend that this agreement is consistent with and complimentary to the Employee Manual, City policies regarding management employees and subsequently adopted City's Personnel Policies and Procedures Section of the City's Human Resources Manual. Should any provision of this agreement or the City Code be determined to be in conflict, the provisions of this agreement shall govern.
- 9.5 If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, Millcreek has caused this Agreement to be signed and executed in its behalf by its Mayor, and duly attested by its City Recorder, and MKW has signed and executed this Agreement, both in duplicate, the day and year first above written.

Millcreek

Jeff Silvestrini, Mayor

Attest:

Elyse Sullivan, City Recorder

Michael K. Winder



**Minutes of the
Millcreek City Council & Planning Commission
November 8, 2021
5:00 p.m.
Special Meeting**

The City Council and Planning Commission of Millcreek, Utah, met in a special public meeting on November 8, 2021 at City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106. The meeting was live streamed via the City's website.

PRESENT:

Council Members

Jeff Silvestrini, Mayor
Silvia Catten, District 1
Dwight Marchant, District 2
Cheri Jackson, District 3
Bev Uipi, District 4 (excused)

Commissioners

Shawn LaMar, Chair
Victoria Reid, Vice Chair
David Allen (excused)
Scott Claerhout
Skye Sieber
Tom Stephens (recused)
Ian Wright (absent)
Christian Larsen
Aryel Cianflone

City Staff

Mike Winder, Assistant City Manager
Alexander Wendt, Deputy City Recorder
Francis Lilly, Planning & Zoning Director
Kurt Hansen, Facilities Director
Rita Lund, Communications Director
Josie Showalter, Asst. to Econ. Dev. Director
Aimee McConkie, Director of Millcreek Common
John Brems, City Attorney
John Miller, Public Works Director

Attendees: Ryan Heath, Tyler Morris, Ryan Wallace, Thom DeSirant

Minutes by Alexander Wendt.

WORK MEETING – 5:00 p.m.

TIME COMMENCED – 5:08 p.m.

Mayor Silvestrini called the meeting to order. The purpose of the meeting was to discuss a potential development agreement related to the City Center Overlay Development Agreement Zone (CCODAZ). Mayor Silvestrini explained this meeting is a conversation and no decisions will be made.

1. Presentation of Cottonwood Residential's Millcreek Common West Development in the City Center Overlay Development Agreement Zone

Francis Lilly, Planning Director, explained in the CCODAZ process there needs to be a joint meeting between the Planning Commission and City Council. This gives the developer and applicants a sense of requirements for the project. The developer will go through the process of preparing an application, then go to four community council meetings, Planning Commission meeting(s), and then City Council meeting. The development requires the developer and the city to apply jointly because there are shared amenities. He noted that Ryan Wallace, architect for MHTN, and Tyler Morris would give presentations.

Mr. Lilly explained that the ideal space for a new City Hall is next to Millcreek Common. The geometry of the site works well, and this helps activate the ground floor space on the west side. The City Hall almost acts as an anchor ground floor tenant. The bottom floor will house a public market, this will help incubate businesses. The space is designed to be attractive to small, local businesses. The Unified Police precinct headquarters will be at the new City Hall. Police vehicles will be parked underground. A 6th floor community room will be available to the public for rent, then of course municipal offices on other floors. The northwest corner of the building will have an outdoor climbing wall. This building is a series of municipal offices, tied with public space and public amenities. The second component is a mixed-use dwelling built by Cottonwood Development including a full-service restaurant and dwellings, tied together with a parking structure with 460 stalls. The parking structure can accommodate parking dedicated for police and municipal vehicles, Millcreek Common, and the dwellings using 460 parking spots. Millcreek Common West includes a restaurant on the Common, retail on the Common and on 1300 E., and a fully enclosed parking shared structure; the estimated cost is \$13.5 million. The parking structure will not be visible from the street. This pushes the developments out. The applicants will come to the Planning Commission and City Council asking for the step-backs to be adjusted. City Center Overlay Zone (CCOZ) modifications are proposed, and a development agreement would be required. The public space for Millcreek Common grew wider. The building wall between buildings on Millcreek Common is 200 feet wide.

Mayor Silvestrini said that after seismic exploration of the site, the City found the Wasatch fault is farther west than anticipated. Buildings need to be stepped back a bit farther. City Hall is being built to a height and seismic standard because it is an essential building. Mike Winder, Economic Development Director, said that beyond the fault zone soil type matters for seismic activity and there is good soil around Millcreek Common. Mr. Lilly explained some proposed code modifications on building length, lot coverage, parking, location of required commercial uses, and step-backs along Millcreek Common and 1300 East. He said the applicant is proposing a ten-foot step-back along 1300 E. rather than 20 feet. In CCOZ and the City Center Master Plan, 75% of a project needs to be commercial. City Hall will fulfill the commercial requirements. Millcreek Common is going to be the main street, not Richmond Avenue. Step-back requirements in the City Center Master Plan did contemplate reduced step-backs along 1300 East. This is not incompatible with the City Center Master Plan. This process started at a neighborhood meeting and open house on September 16th. Community Council presentations will happen in December. Mr. Lilly anticipates Planning Commission meeting on this issue in December, and finally City Council meetings and approval in December or January.

Chair LaMar asked Mr. Lilly if this can be done solely through the development agreement. Mr. Lilly said that most of it can be done through a development agreement, but some code changes

will need to happen regarding step-backs. Commission Reid asked what the distance is from the road to the sidewalk on 1300 E. Mr. Lilly replied 15 feet. Chair LaMar asked if the parking structure will house UPD. Mr. Lilly said that 60 spots in the basement will go to the police and municipal vehicles. Mayor Silvestrini said the police will not use public parking spaces. Commissioner Larsen asked if the 60 spots used for police and municipal vehicles counts towards the 460 total spots. Mr. Lilly said yes.

Ryan Wallace, MHTN, said they are happy to work with the city in such an exciting and visionary project which he then described. This project should be a welcoming and inviting resource. There needs to be a vibrant ground floor, connected by nature. Local arts and communities should be woven into the fabric of Millcreek Common. Enhancing the relationships between the community and police is also important. MHTN is currently in the second phase of planning and development. Mr. Heath said that City Hall is placed strategically to help activate Millcreek Common. The roof plan shows photo-voltaic (solar) panels. The facility must remain operational during an emergency. One way this happens is through a setback from Millcreek Common, where the fault line is. The whole building has been moved more than 50 feet to accommodate this. The parking garage is disguised but still meets an important function. There is 30-foot paseo to connect the parking garage to Millcreek Common. On the north side, Chambers Avenue begins to slope away. City Hall is setback 20 feet from Chambers Ave. The eastern edge will have a plaza type space. This space is covered with an overhang. Large boulders will be placed for causal seating and security. The exterior mounted screen will protect the east face of the building from the sun. The screen evokes the feeling of the mountains. The City Council chambers will be more transparent. The north face of the building is like the east side, except with reclaimed wood. The basement level has police access through a private parking area.

Mr. Winder said there are City Hall Plans for the Planning Commission to look at. Mr. Wallace continued the overview of the proposal. The basement is designed for primarily mechanical features. There will also be a shared fitness center. The ground floor is the public market level. There is a café space, incubator areas for small businesses. Three main stair towers are in the space. Two are primarily for egress. The main staircase faces east. There will be two elevators. There will be market stalls in the public market, these can be used for many different types of businesses. On the north side there will be a small vestibule space for someone to call up to the police precinct, 24/7. The next level has the community forum or City Council chambers. City Hall reception and police reception is on this floor. Thom DeSirant asked about city reception being next to police reception. Mr. Wallace said that they are angled away from each other and there is a conference space for people to meet with the police privately. Commissioner Cianflone asked if everyone going to the police will go through the first-floor market area. Mayor Silvestrini said yes. The 3rd floor is primarily police oriented.

Mayor Silvestrini explained there was a workshop at Oakland Construction's office, several members of the public attended. This has been refined in weekly meetings with City Staff, UPD, and MHTN. Levels four and five have city administrative functions. There is extra space in the northwest corner of the building with empty space to prepare for city growth. Mayor Silvestrini said that city employees and the police are giving their input. The 6th floor or community room has banquet seating for 200 seats. There are movable partitions for smaller events. The 6th floor can be leased for private events.

Commissioner Claerhout asked about reducing carbon footprint. Mr. Wallace said there are solar

panels on the roof. This project reduces carbon footprint by 80% compared to a building of the same size. Mayor Silvestrini said that they anticipate using geothermal sources to help heat the building. The screening on the outside of the building also helps the building become more energy efficient. The city will be at the maximum amount of its budget with this building and plan for it to be used fifty or more years in the future. Mr. Wallace described the building as on path to zero energy. Commissioner Sieber asked if there is back-up power generation planned. Mr. Wallace said that the back-up generators can provide 48 hours of energy and the Emergency Operation Center can run for a week. Commissioner Cianflone asked if there is a way to lend a design element to demonstrate that the police are a transparent institution. Commissioner Cianflone also asked how the building relates to the CCOZ development agreement. Mr. Lilly said the building could be a little bit taller than CCOZ allows and there is no building step-back along Millcreek Common. Mayor Silvestrini said the ceiling height on a few floors is taller than normal and this makes the building slightly taller than a normal 6 story building. Mr. Wallace said the building does not meet the definition of a high-rise; the height of community room pushes the building over the envelope. Mr. Lilly said that to his knowledge these are the only code modifications.

Commissioner Reid asked about a public space that is monitored for people to come sell a car, or for someone to seek help at the police department in a public, monitored way. Commissioner Reid said she does not like the idea of walking into a parking garage at night. Mayor Silvestrini said that the city can give the Planning Commission access to the private parking for City staff and the police. Mr. Winder said that parking experts know how to make the garage safe, and it will be safe. The mixed-uses of the parking structure mean that people will be using the structure all hours of the day. Mr. Lilly said that the goal is to make City Hall a place where people want to come for good reasons. Mayor Silvestrini said that people requested the amenities in a survey about a year ago. Mayor Silvestrini said they were nervous about building a City Hall but there has been no pushback on this. The community is wildly accepting of these plans. Mr. Winder plans that City Hall will break ground in the spring and the parking garage construction will start after that. The crane can be used to build City Hall, a parking garage, and the Cottonwood Development to save money.

Tyler Morris, Senior Vice President - Cottonwood Development, described the Cottonwood Residential project. He said there would be a plaza on the corner along 1300 E. and 3300 S. The middle portion of the block is like “brownstone type units”. The western facing portion of the building is 5 stories and east facing is 6 stories to disguise the parking structure and get to the number of units needed to be financially viable for an apartment building. The east side has full retail facing Millcreek Common and roof-top amenities. Facing southeast there is a retail component on ground level, the public parking structure has access here. The side facing Millcreek Common has a pool on the roof because there is not room for a courtyard. The east view will have roof-top amenities. Along the paseo there is a roof-top deck. Mr. Morris explained the outside of the building. Mr. Lilly explained how from staff point of view it was deliberate to have restaurant anchors on the southeast side and the public market on the north. Mr. Morris continued his explanation about the height of the building. There is 77 feet of roof and one foot of parapet. Mr. Lilly said there would not be any stucco on the outside of the building. Mr. Morris explained how Cottonwood Development approached the City about property that Cottonwood owns on the north and west side for three years and have been working with the City for two years regarding uses. Mr. Morris said they were aware of the step-backs.

The red line in the presentation is the fault line step-back. The parking structure cannot be moved anymore. Cottonwood Development needs a ten-foot step back on 1300 E. and 3300 S.

Mayor Silvestrini said they have fully explored all kinds of different options with this project. The design seen in the report is the only option that works. The Crystal Tones property that Reagan has right of first refusal on due to their billboard is owned by the City and would be traded to Cottonwood for the City Hall property. Because Reagan has right of first refusal that has to be dealt with, otherwise City Hall will not be built. Millcreek Common has expanded in width to accommodate the fault line, the fault line is squeezing the development to the west. The frontage on 1300 E will have a commercial feel. Commissioner Cianflone asked if someone could buy a ground floor unit and use it as a commercial space. Mr. Morris said yes. Commissioner Cianflone asked about businesses on 3300 S. Mr. Morris replied that 3300 S. is all residential on that side and does not have ground floor access. The primary ground floor retail is along Millcreek Common. That is where most pedestrians will be. Mayor Silvestrini said that UDOT will not allow parking on 3300 S. Mr. Morris said ground floor units on 3300 S. will be discounted. Chair LaMar asked about podium parking versus structured parking. Mr. Morris explained that the podium parking would have been 3 stories of a much broader structure. A podium structure costs 25% more per stall. Everything above ground is unrestricted parking. During the day, during peak times between 7am – 6pm parking is also unrestricted. Mr. Morris said that the 3300 S. frontage is tricky to program.

Mr. Lilly said the city wants full retail activation, and the city is buying into this with the public market. The corner, full-service restaurant is a key aspect. Mr. Morris is asking for a ten foot instead of twenty-foot step-back, otherwise Cottonwood cannot build this building in this way. They will need a variance for length because the building will be 329 feet. The building is this long to screen the parking garage and transition into a commercial feel. There will be large, generous plazas to soften the look. Cottonwood also asked about flipping the commercial requirement, there is one corner that is two feet above the 75-foot height requirement. Mr. Lilly said that he and Fred Lutze in Millcreek Public Works, have looked at the development agreement and it would need to meet UDOT's minimum requirements and 15-foot walkway with streetlights and street furnishings. Commissioner Cianflone asked for Lilly to repeat that. Mr. Lilly said there is not enough right-of-way to meet all the requirements because 3300 S. is not wide enough to meet the requirement from UDOT. There is enough road to add the amenities but changes to CCOZ will need to be made. Chair LaMar asked for a spot for parking scooters since those are popular, planter boxes for a community garden if the community wanted that, and for bike racks. Josie Showalter, Assistant to the Economic Development Director, said there will be many bike racks on Millcreek Common and bike repair stations with pumps. Chair LaMar asked how many apartments there will be. Mr. Morris said between 205 and 214. That will not affect the parking structure.

Mayor Silvestrini said that the City Council will be talking about development agreements tonight that deal with the Hudson project and Boyer project. Both have to do with two grant applications. These enable the city to apply for state grant applications. Mr. Winder said a city can apply for the grant if they rezone a property or have a redevelopment agreement in place guaranteeing eight units per acre. CCOZ says eight units per acre is allowed. It is first come first serve for these grants that have the potential of bringing \$2.5 million each. This helps pay for the parking structure and crosswalk improvements along 3300 S. and 1300 E. Mayor Silvestrini said that the community councils wanted more crosswalk protections and to make the crosswalks

more visible. The city plans to make applications for two or maybe three developments. Millcreek Common West does need a development agreement and that would satisfy the state law. These redevelopment agreements do not allow the projects to skip the normal process or relieve the applicants of any CCOZ requirements. These redevelopment agreements only check boxes for the grant. Commissioner Sieber asked who is managing this grant. Mr. Winder said Go Utah oversees the grant.

Council Member Jackson moved to adjourn the meeting at 6:56 p.m. Council Member Catten Seconded. The Mayor called for the vote. All Council Members voted yes. The motion passed unanimously.

APPROVED: _____ **Date**
Jeff Silvestrini, Mayor

Attest: _____
Elyse Sullivan, City Recorder



**Minutes of the
Millcreek City Council
November 8, 2021
7:00 p.m.
Regular Meeting**

The City Council of Millcreek, Utah, met in a regular public meeting on November 8, 2021 at City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106. The meeting was conducted electronically and live streamed via the City's website with an option for online public comment.

PRESENT:

Council Members

Jeff Silvestrini, Mayor (recused at 8:08 p.m.)
Silvia Catten, District 1
Dwight Marchant, District 2
Cheri Jackson, District 3
Bev Uipi, District 4 (arrived at 8:08 p.m.)

City Staff

John Brems, City Attorney
Elyse Sullivan, City Recorder (electronic)
Kurt Hansen, Facilities Director
Mike Winder, Assistant City Manager
Francis Lilly, Planning & Zoning Director
Alexander Wendt, Deputy Recorder
Robert May, Long Range Planning Manager

Attendees: Tom Stephens, Laura Renshaw, Al Jager, Wendi Jager, Angel Vice, Mitchell Vice, Thom DeSirant, Brian Strong, Mary Ann Strong, Cathy Sneyd, Greg Sneyd, Kathy Blake, and Scott Claerhout.

Minutes by Alexander Wendt.

REGULAR MEETING – 7:00 p.m.

TIME COMMENCED: 7:15 p.m.

1. Welcome, Introduction and Preliminary Matters

1.1 Pledge of Allegiance

Mayor Silvestrini called the meeting to order and led the pledge of allegiance.

1.2 Public Comment

Mayor Silvestrini asked that anyone who had comments regarding the billboard agenda items hold their comments until that time. Mayor Silvestrini said Council Member Uipi was on her way to City Hall from the airport and would chair that portion of the meeting, if she did not arrive in time for that Council Member Jackson would chair that portion of the meeting.

2. Planning Matters

2.1 First Reading of ZM-21-003, Rezone from R-1-8 to C-2 to Accommodate a Mixed-Use PUD Consisting of 7 Residential Townhomes and 4 Live/Work Units at 4088 S. Highland Drive by Applicant Nathan Anderson; Robert May, Long Range

Planning Manager

Mayor Silvestrini explained the purpose of a first read. The Council does not entertain public comment at that time but would entertain public comment at the next meeting the matter is considered. Robert May, Long Range Planning Manager, explained this application is a rezone request from R-1-8 to C-2. This accommodates the parking and assemblage required for a mixed-use planned unit development consisting of 10 townhome units. This had already been seen by the Planning Commission and received preliminary approval. Four 3-bedroom units are planned with the rest being two-bedroom units. Each unit has 375 feet of ground floor commercial space to meet the requirements in a C-2 Zone. Historically, the small subject property has been assembled with the two other properties at 4080/4090 South and has been used in conjunction as a mechanic shop and caretaker dwelling. Mr. May explained other projects that have been approved in the same area, this shows compatibility and the uses in the area.

May said staff found that a rezone to C-2 would be appropriate and would serve the intentions of the future land use map. Staff did not feel as though a rezone to C-2 should move the height transition boundary, resulting in greater height. Mr. May noted the community council voted to approve the project. The neighborhood conveyed their concerns about the western boundary and asked for an adequate barrier by way of a fence and trees, but adding a fence is required by code. Staff's plan is to craft a development agreement that protects the neighbors and makes sure that Millcreek receives what was promised. Based on development agreement conditions, a fence would be built but to different standards than in code because a variance was granted on November 1, 2021. The development site plan, elevations and locations of buildings, and building materials and façade articulation as presented in exhibit c of the agreement shall not change. The developer shall plant a minimum of six trees no less than two inches in caliper along the west property. Mayor Silvestrini said that using a development agreement is probably the best approach. Any business that moved into the property would be subject to current zoning and parking requirements that are currently in place. Placement of the guest parking is critical for this project. Mr. May did not believe there will need to be a text change in the code due to parking issues and height issues. There is a small road dedication on Highland Drive that will receive full curb, gutter, and sidewalk improvements. The city has worked with this developer before and staff feels this project will be a better addition to Highland Drive than what was there in the past. Mayor Silvestrini said he was glad these unit would be owner-occupied.

2.2 Discussion and Consideration of Ordinance 21-46, Approving a Redevelopment / Development Agreement with Cottonwood Residential with Respect to Approximately 1.76 Acres of Real Property Located at Approximately 1306 East 3300 South

Mayor Silvestrini said this application was subject to community council recommendation and Planning Commission approval for the project itself. The city would like to apply for money from the State, but a redevelopment agreement is needed. Mike Winder, Economic Development Director, said he would address item 2.2 and 2.3 at the same time. Utah is in a housing crisis. Utah is 45,000 doors short in the needs for households versus housing. Cities are always asking for more carrots for housing instead of sticks. There is a \$35 million pot of money for this grant. Cities can apply for up to \$2.5 million per qualifying project awarded on a first-come-first serve basis. The city will

make at least two applications and maybe even a third. There have been a dozen applications from around the state and two are approved. Millcreek will apply for two projects, one for the Boyer project on Woodland and the Hudson Building by Cottonwood Residential. To qualify the city must have a redevelopment agreement that guarantees 8 units per acre. In the City Center Overlay Zone, this is allowed. The agreement needs to also identify the connectivity between the housing projects and the public matching project, this is Millcreek Common because it is adjacent.

The City is sharing some of the anticipated funds as follows. The Cottonwood agreement reimburses the developers up to \$85,000 for improving safety and aesthetics of the 3300 S. 1300 E. crosswalks. Mayor Silvestrini added this is the kind of improvement that was recommended by the Millcreek Community Council. This is a good thing for pedestrian safety. The Cottonwood agreement also incentivizes them \$145,000 for increasing housing stock that's affordable for teachers, public safety workers, health care professionals. This is conditional upon receiving the grant. The Boyer agreement reimburses the developers up to \$85,000 for installing a water feature to enhance the connection between their project and Millcreek Common. Mayor Silvestrini said concept planning for Millcreek Common Phase II included a water feature. Mayor Silvestrini asked if the agreement can dictate this. Mr. Winder said the Planning Director would have to approve the plan but that is in-line with plans for Millcreek Common. Council Member Marchant asked if the city would apply for the entire \$2.5 million. Mr. Winder said the city is applying for the full \$2.5 million allowed per project.

These redevelopment agreements do not allow the projects to skip the normal community council/planning commission process. They do not guarantee anything specific related to height, setbacks, project layout, or building materials. This does not relieve the applicants of any CCOZ requirements. Mr. Winder said that Millcreek may apply for a third grant for the Millcreek Common West project and in the development agreement staff can put wording in to satisfy the requirements from this grant. Millcreek is looked at as a good actor regarding housing. Millcreek has a good shot to get one grant disbursement and a chance to get a second disbursement. Mr. Winder said the Utah League of Cities and Towns is pushing cities to apply. Mayor Silvestrini said that the State may do more of this type of grant funding if it works well. Mr. Winder said that Millcreek is approaching this well. Council Member Catten asked who stipulates what is affordable housing. Mr. Winder said the grant is very generous, and the language in the agreements do point out the average home price in the zip code is \$545,000 and the units are directed at \$55,000 a year income earner. Part of Utah's problem is a supply and demand issue. This will help to increase the housing stock.

The Mayor asked if members of the public would like to make comment.

Angel Vice, 3610 Carolyn Street, asked if this can be used to take down a static billboard or build monument signs. Mr. Winder said it cannot take billboards down, but it can help with parking space. Ms. Vice asked if this would free up money for other features. Mr. Winder said this extends an olive branch. Mr. Winder said that he applauds the creative thinking and these trains of thought have gone through the mind of staff while they approach the issues facing Millcreek Common.

Mary Ann Strong, 3737 Green Briar Way, said some people have concerns about density in the Hudson building. Ms. Strong asked about reducing the height of the building and the number of residents. The developer had requested a reduction in parking twice. One business in this area is a fitness center and they are busy. Ms. Strong said it is important to make sure the developer plans enough parking. There is nothing that tall in the area and she worries about the mass of a building. Mayor Silvestrini said the Hudson project complies with the requirements of the zone. The project will not come to the City Council but to the Planning Commission. Mr. Winder said the redevelopment agreement does not change the density and height. Mayor Silvestrini said the purpose of this is to get a grant for crosswalk improvements and provide additional money to make housing in these developments more affordable.

Council Member Jackson moved to Adopt Ordinance 21-46, a Redevelopment Agreement with Cottonwood Residential. Council Member Marchant seconded. Council Member Catten asked if the stipulation for affordable housing is included in the grant like inclusionary zoning. Mr. Francis Lilly said this provides affordable rents relative to the surrounding areas. It does not dovetail with the broader housing strategy. **The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.**

2.3 Discussion and Consideration of Ordinance 21-47, Approving a Redevelopment / Development Agreement with the Boyer Company with Respect to Approximately 1.83 Acres of Real Property Located at Approximately 1350 East Miller Avenue

Council Member Jackson moved to adopt Ordinance 21-47, Approving a Redevelopment Agreement with the Boyer Company. Council Member Catten seconded. The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.

2.4 Discussion and Consideration of Ordinance 21-48, Amending the City Center Master Plan and Title 19 of the Millcreek Code of Ordinances with Respect to Digital District Signs

Mayor Silvestrini said that he is surrendering the Chair position to Council Member Jackson. Council Member Uipi joined the meeting by phone (then later in person) at 8:08 p.m. Council Member Jackson said the memorandum of understanding (MOU) that the city was looking at with Reagan Outdoor Advertising had undergone drastic revisions. The first MOU was designed to reduce as many billboards as possible. Council Member Jackson said that she did not like the Highland Drive sign. The city has talked about removing the development impediment and have found ways to make the signs less intrusive. Council Member Jackson turned time over to Francis Lilly, Planning Director, regarding changes to the MOU.

Mr. Lilly said the first MOU as presented to the Planning Commission had a plan for 3 district signs, and four billboards removed totaling 2,247 square feet as well as another 924 square feet of billboard bank balance. Three signs would be added at Millcreek Common, Chambers Avenue at Richmond, and Chambers Avenue at Highland Drive. The two sign faces in the way currently are 33.5 feet high and 472 square feet. A smaller deal results in a more favorable ratio for the city when less billboards go down and less billboards going up. Millcreek would own the sign structure and there is a 40-year lease.

Millcreek would keep 40% of the leased spaces on the sign. The MOU as presented to the Planning Commission is different than the proposed exchange agreement. Originally four billboards would come down, now only one would. The billboard bank would still be eliminated. The new agreement limits the sign height to 26.5 square feet. The city advertising share does not change, site line technology does not change, there is still ambient light dimming and ambiance control, and the City's advertising share does not change. There is now a discount for Millcreek businesses to advertise. The cost to the city is \$1 per year plus the power connection. Reagan Outdoor pays the power bill. This has not changed. The city retains ownership of the sign in both situations. Reagan, as a sign operator, would have no right to keep the sign up after the 40 years. Mr. Lilly said the challenges of billboard condemnation is so vexing. The current sign is a bi-pole sign at 33 feet tall, the new sign is a bit shorter at 26 feet tall, the new sign is 12x24 feet instead of 10.5x22 feet. The proposed location of the sign is on the south side of Millcreek Common.

Mr. Lilly noted that the code itself would need to change. Changing the code does not change the sign unless the agreement changes as well. The code allows for one sign and so does the exchange agreement. The exchange agreement does refer to the site-line technology and refers to the best technology available. Council Member Jackson said residents are concerned about more digital signs in Millcreek and asked how it would be prevented. Mr. Lilly said there can be only one district sign in Millcreek Common per the new ordinance. The ownership of the sign is retained by the city. The way the State currently defines a billboard is an off-premises sign. The sign contemplated is an on-premises sign. Mr. Lilly said if someone came to him asking for another digital sign that he would say no, the code is clear, only one district digital sign is allowed in the City Center. Council Member Catten asked if the city did not have 40% of the turns if it would change the definition of the sign. Mr. Lilly said yes. If the City did not own it and control this much, the definition would change and that would be a different type of sign.

Council Member Catten asked if this sign is static images that change or if it is a video board. Mr. Lilly said the sign is static images. Video boards are forbidden in the code already. Billboard companies are used to operating in these parameters per state law. Council Member Catten asked if the city can dictate design standards in the ads themselves, if the city can limit the design elements of certain ads, so they are less bright. Mr. Lilly said that he was not sure if the city could limit this in the code, but this was a conversation worth having with the sign company and it could be in an operating agreement. The company who created the Millcreek Common logo suggested that the city create a design standard and color palate for ads.

Council Member Jackson asked Mr. Lilly to explain the Millcreek Code and ambient light dimming. Mr. Lilly explained the sign will detect the ambient light and adjust the illumination depending on the outside light. On a very bright day the sign will have different luminance than on a darker day. All electronic message signs will automatically dim. At night-time the sign will automatically dim to a certain light standard. State statute is moving towards not allowing regulation of signs differently on different pieces of property just because one is a billboard. Council Member Catten clarified if Reagan takes down the existing billboard, they then must put up the new one. Mr. Lilly replied that Reagan would take down the existing sign and build the new one at no cost to the city.

Mr. Winder said that the Canyon Rim Citizens Association asked that Millcreek businesses receive a discount on ad space. City staff was able to add this to the operating agreement for the first three years of sign operation with the option to extend the discount. Mount Olympus Community Council asked that products that are detrimental to minors be prohibited from the sign, and this was added to the operating agreement. Staff has seen great progress in adding community council and planning commission suggestions to the operating agreement. Millcreek is also able to remove the right-of-first refusal for the billboard property and it allows the City to move forward with Millcreek Common.

Council Member Jackson said that some residents ask that the city do nothing and asked what options there were. Mr. Lilly explained that the city could simply ask Reagan to sell the sign or take it down please. Reagan has said that they will not just sell the sign because it is a good sign for them to advertise. This would force Millcreek into a condemnation proceeding. State law would require Millcreek and Reagan to get an appraisal and then eventually a judge and jury would come in and decide on the value of the sign. Utah State Code explains what a city may not do. A city cannot take possession of a billboard acquired under eminent domain until all court proceedings and appeals are done and the billboard owner receives payment of just compensation. Millcreek would have no way of knowing what the billboard cost will be and Millcreek cannot have access to the billboard until the very end of the court proceedings which could take years. Having negotiated things with Reagan before in the midst of an eminent domain action, Reagan may say just move the sign into Millcreek Common. It is a simple matter of changing the leasehold. State statute supports moving the sign rather than condemning it. It would be static sign, but it is a sign that Millcreek cannot control.

Mr. Lilly said he can see Reagan asking for \$150,000 to relocate the sign into Millcreek Common because it meets the City Code. The city would have no control of the sign, would not have 40% of the advertising time, no control of how the sign looks, and no control of the messaging of the sign. Mr. Lilly said that waiting would delay, in an unacceptable way, the parking structure, the new city hall, a 3500 square foot restaurant, additional ground floor retail to finish Millcreek Common, a climbing wall, and housing at Millcreek Common. Mr. Lilly explained he did not want this and wanted Millcreek Common more. He was concerned about the unknowns about the sign and billboard bank.

Council Member Marchant said that Reagan would keep their billboard bank and they could put up two more signs. Mr. Lilly affirmed and said Reagan could put up a bigger sign on State Street and wondered if the city would want to redevelop there in the future. He said in a few years this conversation could happen again. There are signs on Highland Drive that could become bigger with the bank square footage that current exists. Any of these options creates a potential development impediment somewhere else. He acknowledged that Millcreek hates signs and digital signs, but should Millcreek just keep moving signs around or have a time certain deal that will end. There are parts of the deal that Mr. Lilly likes. Mr. Lilly explained that he likes the certainty. The whole concept of a billboard condemnation is designed to keep them up, move the sign, or give the advertiser as much time as they need. Mr. Lilly is concerned about a sign company going back to the Legislature and getting the law changed if they cannot work with cities.

Council Member Uipi asked if Reagan could move square footage onto a billboard at Millcreek Common. Mr. Lilly said probably not on the billboard at Millcreek Common because the sign is nearly at the maximum size allowed, but it would move somewhere, and the city might need to condemn one of those.

Council Member Catten asked what the monetary ramifications of delaying moving the sign or the condemnation process and delaying the City Hall project would be. Council Member Jackson sits in the City Hall design meetings and the city is being frugal where they can, to make the project work. Construction costs keep going up. Laurie Johnson, Finance Director, spoke about how delaying this project will affect bonds in the area. Ms. Johnson said it is important to move forward to pay for the 2019 bond interest and principal. Currently the City only pays interest and borrows from the other CRA. The city needs the tax increment to come in because this cannot continue in the current way forever. The city can pay the principal and interest in the 2021 bond but if the city does not spend down the 2021 bond the city would be subject to arbitrage. Council Member Jackson asked about construction costs going up and Ms. Johnson said these are expected to go higher. Currently the City is in a building with a limited lease and there could be financial ramifications if the City cannot move out. Mr. Winder said there is significant costs if City offices must be moved twice. Council Member Jackson asked Ms. Johnson what arbitrage is. Ms. Johnson said that a city gets better interest rates on a bond. To prohibit a city from getting a lower interest rate on a bond and then earn higher interest than they are paying on a bond could be a moneymaker. Council Member Jackson asked if the city could use bond money to pay for the billboard. Ms. Johnson said that bond holders purchased the bonds based on the limitations of a certain project. The bond documents were written to pay for city hall, not a billboard. Council Member Jackson asked where the money would come from if the city entered the condemnation process. Ms. Johnson said that the city would have to take money from the Capital Improvement Project fund. The city would have to ask what could be cut in other parts of the budget. The numbers are high so deciding to delay other projects or pare them down is necessary. This would have major budget ramifications.

Council Member Jackson said that people have told her to assess every Millcreek residence \$20. Ms. Johnson said that is a tax. This would be a property tax increase and the earliest this could happen is a year from now per state law. Council Member Uipi said that is assuming the city knows the cost of Reagan's ransom for the sign. Mr. Lilly said that Reagan had no interest in selling the sign for any price. Mr. Lilly explained if the city could get immediate occupancy this would be preferable. Reagan and Holladay City fought about the price of a sign there because Holladay got immediate occupancy. Then Reagan had the state law changed. Mr. Lilly said he does not know of a successful condemnation since that law change. Ms. Johnson said that if the City had to have the money right away, the Council could only spend what is in the budget so other things would need to be cut. Council Member Jackson asked the City Attorney, John Brems, how long the condemnation process would take through eminent domain. Mr. Brems said that the sign cannot be taken down until all appeals are exhausted because billboards have special dispensation. Mr. Brems said this could take 4 years. Mr. Lilly described that it took Holladay six years, but they could take the sign down while they fought about it. Council Member Uipi said residents are concerned about the billboard bank. Mr. Lilly said staff reached out to all the community councils. The information that Mr. Lilly

received was that they were happy about reducing the scope of the deal, but one individual was disappointed that more signs were not coming down. Mr. Lilly said that in conversations with Planning Commissioners that they think this is a movement in the right direction.

Council Member Jackson opened time for public comment and noted that there would be a three-minute time limit per comment.

Angel Vice-3610 Carolyn Street

Ms. Vice asked why Reagan would not change the rules again. Ms. Vice congratulated Thom DeSirant and Council Member Uipi for their election wins. She said that Millcreek Common is the legacy of the City Council and Mayor Silvestrini. Ms. Vice said she appreciates changing from three billboards to one. Ms. Vice said she is getting calls from people who want to do a referendum. A referendum would also cause delays.

Kathy Blake-1481 Woodland Avenue

Ms. Blake thanked the Planning Commission for collecting information about the MOU. She also thanked city staff for their work. When it was clear after the Planning Commission was not in favor of the ordinance the Planning Commission was told to stay in their own lane. Ms. Blake is happy they pushed on. The new proposal from Reagan is a step in the right direction but Ms. Blake does not want any digital billboards and it allows Reagan to set the tone. Ms. Blake thinks the city is in dangerous territory. Reagan will reap financial benefit. Cities change ordinances all the time and it is only a matter of time before changes again. Residents have been promised that the code change will be written in a way that will not allow digital billboards in other areas. The city cannot give them this inch.

Mitchell Vice-3610 Carolyn Street

For a city administration so dedicated to minimizing the total square footage of billboards everywhere. It is perplexing that the city did not consider removing billboards five years ago. Even more perplexing is three out of four sitting council members have received campaign contributions from Reagan Outdoor Advertising. The mayor has recused himself because of campaign donations. The newly elected council member has received the largest amount of campaign donations from Reagan. He asked why Millcreek officials are so eager to receive donations from Reagan Advertising. At best there is a gross misalignment between the two. At worst there is a serious and insidious conflict of interest on this matter.

Council Member Catten said that five years ago there were 40 candidates running for five seats on the City Council. Unsolicited, Reagan sent money to Council Member Catten. She never received any phone calls or emails from them. Council Member Catten said she voted against giving them more power and fought against billboard bills at the Legislature. Council Member Catten explained that she took \$300 from them five years ago. Council Member Catten said she had no discussions with them ever. She would like it on the record that she took \$300 five years ago, the race was competitive. Council Member Marchant said he has not received any money from Reagan since he has been on the council, he received \$100, weeks before the election five years ago. Council Member Marchant objects to the accusation. Council Member Jackson asked for public comment

received online to be read in.

The Deputy Recorder read emails received.

Ann Brinkerhoff – 1430 E. 3114 S.

“I have lived in Millcreek for over 25 years. The character of this community is important to me. Electronic billboards do not reflect my desire for my neighborhood. We DO NOT want electronic billboards. They will change the character of our community. They are bad for the environment. They are bad for wildlife. They do not belong in a bedroom community. Reject them!!”

Isabella Sabala - District 2

“Please read this into the record tonight; I am opposed to any and all digital billboards. Please don’t allow Reagan Outdoor to win again. Please take a stand for the beauty of our city and vote no to any and all digital billboards.”

Kevin Flynn – 3474 S. 2300 E. #24

“To the Millcreek City Council, I appreciate your service to our community, and your work to make it a great place to live. I am very concerned about a proposed deal with Reagan Outdoor Advertising to allow them to construct 1 or more digital billboards near the new City Center. I feel that such a deal that affects so many people and is so controversial should be put on hold, and other options looked at, such as smaller, city owned and operated marquees, that would be more aesthetically appealing. Also, I feel that the developer should help with costs to remove the one billboard that is in its way, and the balance of the expense could be paid by the city, since it would be a small fraction of the overall cost of the city center. Please do not open the door to these digital billboards. Thank you.”

Francisco Sabala – District 2

“Please read this at tonight’s meeting before the vote on billboards. It is my understanding that there is the possibility of voting on removing the static billboard that is in the way and not replacing it. That option is the one I request you choose. If not, it is my intention to sign any petition from any referendum to keep digital billboards out of our city. As a college student I won’t have the time to initiate on and I am hoping someone does so I can sign it. Thank you.”

Christine B. Helfrich – 4537 S. Park Hill Drive

“I would respectfully ask that NO electronic billboards be authorized in our beautiful community of Millcreek. I am a fifth generation Utahn and have resided in Olympus Cove since 1999.”

Chris Kaiser – 595 Mill Farm Court

“No digital billboards please.”

Jerilee Katenay – 845 E. 4280 S.

“I have been a Millcreek resident for over 20 years. I chose to buy a home in Millcreek over downtown Salt Lake City where I had lived and grown up at. I am saddened that the current city council is trying to ruin the Millcreek I have loved these last two decades,

where I raised my children and where my grandkids are now being raised in another district of Millcreek. I am against the blight of multiple billboards in our community. The ridiculous claim that all the billboards are needed to make up for other billboards is ludicrous. Leave the contracted billboards up and build around them or take into consideration how many images/ads a digital billboard can show compared to one that Reagan says they are losing. What are the maximum images that can be displayed compared to a standard billboard? Shouldn't that logically replace how many digital billboards are needed to replace a standard billboard with one image? If you force this onto our community that says a lot about how familiar you are with the Mission and Vision statement. A "City that provides a "welcome home" feeling to everyone" does not generally include blaring billboards unless you live on Times Square. Decide on the interest of your voters or your donors, who do you really serve? Vote no and keep Millcreek a place people are proud to call home."

Janine Terrill – 3703 S. 740 E.

"Digital billboards in the new city center? It's a costly mistake we should not be making. The landscape is disrupted by these distracting digital media monsters. I want to go on the record against digital billboards. Please help us avoid the tragedy that will be "billboard jail".

Council Member Catten read an email thread between Marv Poulsen and Council Member Catten.

"Dear Council Member Catten:

I want you to know my actions last night during the open comment period were an honest attempt to add a different dynamic to what seems to have been a distorted process as you all must deal with a mess that has now been revealed as much deeper and convoluted than I think anyone knew prior to last night. It appears there have been some secrets that have prevented you, The Council, from learning many relevant details of what's been going on behind the scenes.

I felt it was important to confront the Mayor, but never imagined the encounter would become so visceral. That part change my presentation. My intent was and remains to stimulate a flow of thought different than what we have seen so far and open the opportunity to consider more creative approaches that will hopefully arrive at a decision more amenable to the Millcreek Community because I fear we've been on the course of splitting the community. Sometimes, emotion can trigger thinking outside the box.

I want to acknowledge the integrity of our Planning Director, Francis Lily. Having never heard him speak about his actions to remain removed from the Reagan 'negotiations' was personally heartening. On the other hand, had we had him or another representative, with such deep personal integrity, involved in those negotiations, I wager we would be looking at a whole different set of options for you all to be considering.

This makes me wonder if The Council might want to consider retaining some 'outside' negotiation expertise that would be acting under your direction, if for no other reason than to have an unbiased witness and hopefully more professional insight. (You have had a Millcreek resident with a background in negotiation speak before the Planning Commission and now you who has a long background in negotiation, and might be a resource for recommendations of possible professional negotiators you could consider.) As an aside, that's really what the Planning Commission was seeking in their request for outside council a few weeks ago.

I wish you all could/would stop allowing the false urgency that's clouded this issue over the last months. The urgency is clearly a product of decisions made or deferred on the executive side of Millcreek government. It's pretty obvious there's a dearth of accurate information about any costs that could or would be involved.

Thank you for your dedication to a difficult, time consuming job.

Regards,
Marv Poulson”

Council Member Catten read her reply.

“Hi Marv,

Thanks for the email. I would love for you to elaborate on the "secret mess" that has prevented us from understanding the full picture of this. I keep hearing clamorous things like this but it seems no one is willing to take the time to provide actual evidence, or at the very least, explain what any of the distortion is. I've heard many slanderous claims about the Council's and staff's integrity, which has been frustrating because I think everyone who represents Millcreek who has been involved wants the best outcome for the city. I have absolutely no reason to believe otherwise. I'm asking in earnest, that if what you are saying is accurate, would you provide me and the Council with such implications? It is my obligation to understand and take action for or against anything that would hinder fair judgment on such an important decision that affects our community.

We are listening and we welcome your opinions and suggestions, always. If your true intent is to provide thoughtful advice and action toward more creative solutions, then I suggest you do that without flagrant criticism and insult. We've seen you bring notable suggestions to impending conversations before, like the trees and landscape ones from past projects, which were helpful to us. But it's difficult to understand your points when they are clouded by indignation that your voice is the only one, we should consider or listen to, or that you perceive us to be working against the city's best interests. That is not only completely false in this (or any case), but unfair. Especially given that we finished hearing the entirety of the proposal in any official capacity for the first time on Monday night. Additionally, I don't appreciate questioning my ethical and moral standards when there is no indication that I (or any other member of the Council) have acted in bad faith or to our personal benefit. Again, that is a completely unsubstantiated claim that is egregiously false. I will continue to support yours and anyone's right to present respectful opinions, suggestions, and resolutions. They do in fact, have weight on my personal decision-making process, but when claims are based on harmful hearsay or assumptions, they serve no one.

I have full confidence in our staff to handle the work for the best interest and outcomes for the City in a respectable and productive manner. They will take the Council's direction, and there has never been any indication that anyone who works for the City has done their job with malicious or secretive intent to harm the city or its residents. To suggest otherwise is wrong and it's obstructive to paths of true collaboration that the Council seeks to have with other recommending bodies like the Community Councils and Planning Commission. The Mayor has willingly and appropriately recused himself from meetings and conversations regarding this matter, and I respect and encourage his right to do so. In regard to things that may seem suspect, that is solely your perception. It has been my experience that between conception of an application or proposal until the actual vote by the Council, changes and updates happen along the way. That is, in my opinion, an advantage to our process--that nothing is final until we vote on it. The urgency of this has been no different than any other process for any application or planning matter.

I respectfully disagree that the Planning Commission was asking for negotiation expertise. If that were the case, their position would have been less defensive and more cooperative to actually finding a solution. But I digress--I think there is still work to be done on this. This situation has been highly contentious and emotional, and that adds to the complexity of the issue, I recognize that whole-heartedly. I have personally always done my best to understand and listen before making any decision, and there has been great effort by the four council members and staff to take the time to truly understand this very nuanced issue. I'm not inclined to rush anything that isn't right, but as is my duty, and as I've said publicly, I am inclined to pay attention to any possible creative solution that is brought before me.

Warm regards,
Silvia Catten”

Council Member Catten then read Mr. Poulsen's response.

"Hi Millcreek Council Member Catten,

Note: Because I mention your fellow Council Members in my response to your email, I think it appropriate to copy them. I'm not copying the mayor because he claims recusal from billboard discussions.

I will be as brief and concise I possible, but there are so many elements and threads to this problem it will be a challenge.

First you must realize we, Millcreek citizens have virtually no access to what goes on in your deliberations or happens outside of public meetings.

From a citizens point of view, trying to see into what looks like a deliberately rushed process by the Council in what is obviously a City Proposal, in essence acting on behalf of Reagan Outdoor Advertising, raise great concern for a whole lot more citizens than you will ever hear from or hear speak in your restrictive public forums, that have been truncated to less open process than most of the City Center development projects.

I disengaged from personal involvement in Council meetings when the Pandemic made such meeting to dangerous to participate in, and Zoom or your website diminish the effectiveness of your meetings and public comment.

What got me to come back, on a limited basis, was hearing about the Council's plan to install 6 highway-size billboards in the City Center for Reagan Outdoor, after supposedly precluding such things in the City Center Master Plan. I thought that was settled business 2 years ago.

To have only heard on the grape vine that you were intent on undermining The City Center Plan, that everyone in the community thought we had help settle, is being threatened in favor of a rushed process to give Reagan Outdoor huge electronic billboards in The City Center shocked me. That's why in July I began trying to find out what's going on.

It quickly became clear that a hard-court-press was at play with Mr. Winder strenuously and relentlessly selling one choice and when questioned, applied strenuous put downs to the person asking the question, be they a Community Council member or a concerned citizen. It doesn't take a genius to recognize there was only one possible option: 6 huge electronic billboards that MUST be approved by November under a completely contrived rushed process.

You, The Council, here-to-for have always invited extensive public involvement when considering other projects of great public impact and interest. Examples have been the Mt. Aire Streetscape, The City Center Plan, and more recently the Accessory Dwelling Units process that saw 2 rounds through the Community Councils, the same for the Planning Commission and welcomed extensive citizen input before the Council during informal and formal settings.

But, when it came to your Billboard thing, scheme, mess, the process became more urgent than the public has experienced on any other thing you have done. This rush seemed geared to get through the legal process and jam the billboards down our throats before the community could get up to speed on what you all were jamming and why.

See, things look different on the receiving end than on your end.

So, finally, this week with the revelation that Mr. Winder was acting as the sole negotiator on what I can only assume is at the Mayor's direction with him acting in the City Executive role. Learning this information, at long last, raises new questions about conflicts of interest with both our mayor and his selected negotiator with Reagan and Mr. Winder's own conflicts of interests with the same company as our mayor. But what communications, ex parte or open, we don't know. But you've raised such ex parte communication questions about community citizens and even members of the Planning Commission. Why

not in your own government ranks? I can only assume such is okay for the goose, but no one else.

Through the process I heard you and Council Member Jackson vocalize, virtually the same wording Mr. Winder repeatedly used to justify the artificial urgency propelling the Billboard scheme, claiming that because the February vote in the legislature on a billboard bill Reagan wanted, that would allow them to convert any of their billboards to electronic, was only narrowly defeated.

I have researched the February debate and vote in the legislature, which was only in the Senate, and was actually more than a narrow defeat. In political terms it was voted down more definitively, losing 12 to 15 with 2 abstentions, in a body with a super republican majority. The bill died then and there even after lots of attempts to make it more palatable, being circled and uncircled 3 times and being doctored 3 time to tweak the verbiage with amendments, but none of those sweeteners worked and the vote killed it. Not even a receptive State Senate was having it with Reagan's onerous billboard scheme.

So, all the times when you, Council Member Jackson and Mr. Winder claimed the bill barely missed passage it was only a matter of time before Reagan would get what they want represents a misleading, at best, claim, and a part of an obvious pressure tactic successfully deployed on the 4 Community Councils by Mr. Winder.

Then there are the arguments that the city has to vacate the current office space sooner than you will be ready. But that's because our experienced, real estate attorney mayor apparently failed to negotiate a lease extension option as part of the original lease agreement. Why no provision for contingencies? This is another element that raises competence or trust questions. And if we are so stretched financially that delaying moving out of the current office space presents such a financial burden, well that makes me wonder too.

Similarly, when we, The City, bought the property where the derelict Reagan billboard at 1330 (or so) east 3300 S, stands, why wasn't the title encumbrance of the billboard lease addressed at that time? I raise the same question about our experienced real estate attorney mayor's failure to act fully in the interest of The City at the time, neglecting to make sure title to the land would be clean for immediate future development. But no. The City did nothing about that until now needing Reagan to release the right of first refusal on the property with what I can only describe as contrived urgency.

Had that title been cleaned up properly when The City made the land purchase, and had also negotiated an office lease option, the contrived rush we are enduring now wouldn't even exist. Okay, I can hear you arguing we are where we are, but that places the burden unfairly on the community. We shouldn't be put in such positions because of official neglect, deliberate oversight, incompetence, or contrivance. That's not honest!

Would any of us be so derelict in our own real estate dealings?

That is only one of the deceptive practices Mr. Winder has used. And the fact that we have a Mayor with obvious, career-long involvement with Reagan, even being instrumental in developing the billboard lease language that has also been incorporated into state law over the years. And now for the Mayor having Mr. Winder as our sole negotiator with plenty of his own conflicts of interest because of coziness with Reagan, really rubs me and clearly much of the community the wrong way.

One primary role the community should expect from elected leaders is careful contingency planning. That's not what we are seeing. This has raised concerns that with The City's apparent escalating financial vulnerability, it sure looks like we are leveraged way too heavily to be able to deal with another eventuality like the pandemic or climate change, or major flooding. What if the City Center gets delayed further? What if another catastrophic fire delays a major real estate project. There's lots of potential what ifs I fear could over stretch city resources. What then?

You see, our heavily bonded position and having to take funds from another city development tax fund to cover interest on the \$20 million City Center bond isn't well understood, nor are the requirements of the \$39 million bond for City Hall.

See, the public has to work really hard to even get a glimpse into what's going on behind the scenes with The Council. You expect us to take you at face value, only to hear from your own lips the same misleading script used by your selected shill, (I use shill quite deliberately for the implied deception in the definition of the word).

It's unconscionable to me for my City Council to be looking like the source of deception.

Now about your public rebuke of the Planning Commission. Every member of that group never used verbiage that even came close to deception in their deliberations and public comments on the billboard issue. When they were asking for outside council, it is clear they were trying to avoid even the appearance of conflicts of interests, just as Planning Director Lily strives to do.

Your rebuke of the Planning Commission, and Council Member Jackson's and Uipi's personal attacks on the 2 Planning Commission Members who appeared before you in support of their outside council request was shocking to me. I believe you all owe the Planning Commission an apology for such unprofessional treatment of those dedicated, honorable, and trusted community volunteers. Or maybe you would rather have people who cow-tow in fear and not perform critically important community service?

You see, such behavior on the Council's part speaks volumes and runs completely counter to your protestations to me and the wider Millcreek Community. More open, frequent, community engagement and direct communication on high profile issues would go along way in proving to the community nothing shady is going on.

I am afraid I'm not the only citizen who has lost trust in The Council over how you have, and continue, to jam the billboard scheme down our throats. You've lost credibility with what I'd wager is the majority of Millcreek Citizens for at least seeming to be colluding with Reagan.

If you hadn't picked up on it before, I hope you heard it loud and clear from those who spoke at your meeting last Monday night, 10-25-21. The community feels like we are being force fed with deception and no alternatives that deviate from the single Reagan-Winder billboard scheme. There are 3 fundamental problems we all wish were possible. 1) A more open, deliberative process that invited more open public involvement from the beginning, like you have done on so many other high profile impactful community projects. 2) More alternatives than the least palatable one you're pushing. 3) Don't keep trying to force feed the community with half-truths, deception, obfuscation, contrived urgency, and Windersque lies. It would have gone a long way if your spokesman had an honorable reputation. (If you doubt that, just do a simple Google search about Mr. Winders history.) Credibility and honesty matter, including the messenger and how those attributes are perceived.

Now you may still claim I have no justification for speaking sharply and critically of how you are dealing with us, the community, on the billboard matter, but the truth is you are wrong to be trying to force feel us, the concerned community, a singular choice when we are clamoring for alternatives.

My previous involvement with city planning, trying to get more attention on our urban forest, was made in good faith, even though it's not being taking into account very seriously. Fundamentally, the urban forest will one day be a crucially important, life saving element in reducing the impacts of the urban heat island The Council is developing. I wish you all would have even read the research I provided 2 years ago. We have just begun feeling the deadly effects of climate change, and I fear the community has no preparations for dealing with.

But I will never forget what has appeared to be a closely held, process to push through giving Reagan a multi-million dollar gift that will blight our City Center and the wider community and open the door for Reagan, doing what Reagan couldn't get the Legislature to do, but seems to have a lock on getting from the Millcreek Council: setting a president for the spread of electronic billboards across any other vulnerable Utah community, and in the process make us a pariah Reagan billboard city. Despite you professing to hate billboards.

I'm sorry if I hurt your feelings during this billboard mess, but every member of The Council has made me feel berated and betrayed. This mess shouldn't have been allowed to become so divisive, but for how The

Council has failed to guide it otherwise.

As to The Mayor's recusal. He keeps repeating the phrase, but I heard him use an explicit caveat when he addressed the Millcreek Community Council online at the beginning of their only opportunity to hear anything official about this matter. Answering a question from one of the members of that community council, the Mayor, would he recuse himself, got the answer: "I intend to recuse". Not very reassuring. Of course, you and I both know, as a practical matter, his professed recusal is really show for the uninformed, and really means little under Utah law.

I've been active in public affairs my entire life, albeit mostly in environmental matters. Most notably, I was deeply involved during the MX Missile debate of the late 70s and early 80s, when Governor Matheson was between a rock and a hard place weighing State policy on that issue. He maintained a remarkably open public process with many long, heavily attended, public hearings across the state, over a period of months. I know he anguished under what had to be immense pressure from the US Military and the Carter Administration. I know that's before your time, but it was a huge deal at the time and illustrative of managing a tough public process.

Never have I seen the convening authority on a public matter employ deception and even lies to drive those processes. When I say this, I am mainly speaking about how Mr. Winder has behaved.

I've always felt I could depend on honest dealing with government processes. I wish I felt that way about how The Council is handling this billboard mess, a mess that needn't be.

If citizens can't trust our governments and how officials behave, how can government function effectively. Trust is the glue of our democracy.

I can't, I won't apologize for believing that.

Sincerely,
Marv Poulson"

Council Member Catten said she would like to respond quickly. Council Member Catten said she will always give a resident the opportunity to share their thoughts with her. The City Council Members take their job very seriously. Council Member Catten said that she is always available for any resident who wants to make their voice heard they are always welcome.

Council Member Uipi asked Mr. Brems to explain what a referendum is and how long it takes. Mr. Brems said a referendum is the way to overturn a city legislative action. This zoning change would be a legislative action. Five voters in Millcreek would make an application for a referendum. They would need to get a petition to get signatures from Millcreek voters. Then there would need to be an election. Until that time the ordinance is effective. Council Member Uipi said that everything would be delayed. Mr. Brems said that the city would still pay bonds and debts. This would be a reportable debt and it would have to be reported to the bond holders, as a reportable event. It would cause major economic problems for the city. Council Member Uipi asked what a reportable event is. Mr. Brems explained that as part of the bond the city must report events, like losing sales tax or a lawsuit against the city. Council Member Uipi asked what the repercussions of a reportable event are. Mr. Brems said that he has never been part of a reportable event, but they are bad.

Council Member Jackson asked where the signatures need to come from. Mr. Brems said from the Council Districts in the City. Council Member Uipi asked if there is a process to

list the facts of what the City Council did. Mr. Brems said people would just sign the petition. Mr. Brems said the city can spend no funds on a petition. Council Member Catten asked if the developments could not happen in the spring. Mr. Brems said they could still happen. Mr. Lilly said this would force a different conversation with Reagan. It would move the city towards condemnation proceedings. Mr. Lilly explained that Reagan might simply say move the billboard 150 feet into Millcreek Common. The city would have to pay to demolish and move the billboard. This is the fastest way to resolve this and keep moving along but this does nothing with the right of first refusal. A lease with Reagan would have to be approved administratively. Millcreek would be forced under very unusual terms to negotiate a real-estate deal and real-estate deals are negotiated behind closed doors. Mr. Lilly said that Reagan has done things like this before. There is a not-zero chance that there will be a sign around or in Millcreek Common no matter what. Council Member Jackson asked if it would be in the interior of Millcreek Common. Mr. Lilly said no.

Council Member Jackson asked why the issue was not dealt with years ago. Mr. Lilly said the General Plan gave instructions to work aggressively on a city center redevelopment. Mr. Lilly related on his first day at work in 2017 developers were knocking on his door. Ever since then staff has been working on trying to create something of value to Millcreek residents. Staff did not know where City Hall was going at all at that point. The right of first refusal came to staff knowledge in late 2020 when the City bought the Crystal Tones property. Council Member Catten said even if the City owned the property two years ago the City would be in the same place. Mr. Winder said that there are multiple options before the City Council. One option cost Millcreek taxpayers nothing and gives the city advertising potential and the other options are prohibitively expensive in cost of time and money.

Council Member Catten said if there is a referendum it hurts everyone. Mr. Lilly and Winder agreed. Council Member Catten said a referendum was not on her radar when the conversations started with the community councils. Mr. Lilly said in his knowledge there has not been a successful condemnation of a billboard since 2019 and it is likely the sign will just move. Council Member Uipi said that a year ago the City Council was pushed to work on a billboard ordinance. Council Member Uipi asked for another council meeting to talk about that issue at that time but was denied. There were three billboards that had been discussed being brought down a year ago and this was one. At times the Council is asked to rush certain decisions that could have benefited the city if the Council had waited, and then other times the Council must wait instead of being rushed. Council Member Uipi asked could this have been done two years ago, maybe, but at the time billboard banking was not part of the discussion. Council Member Uipi said the Council is trying to do their best to try and work with the billboard issue. Two years ago, the three billboards that were discussed went off the table. Council Member Uipi said she appreciated the staff and Mr. Winder for their efforts to negotiate on the behalf of the Council. The City Council wants transparency. Council Member Uipi said this meeting was set that night to hear more from residents. She thanked the Mayor for his work. He has not been a one issue Mayor. Council Member Uipi explained she thought Mayor Silvestrini did the right thing with recusing himself and she apologized for being late to the meeting.

Mr. Lilly said that Ms. Vice asked a question, and he can answer it. “What is to stop Reagan from reneging on this deal?” Mr. Lilly said he has thought about it and has been concerned with it. Rules change and state statute will pre-empt local laws and it always happens when there has been a massive and ugly public dispute; it happened in Holladay and South Salt Lake. In this case the difference is the city is working with Reagan not against them and context matters. Mr. Lilly has seen times when a developer will go to Capitol Hill and change things. The State Legislature took to heart those developers that were having a hard time working with cities. Mr. Lilly was told by people at the League of Cities and Towns to come up with a win-win solution if one came up rather than fighting every step of the way, because fighting creates the situation where cities just keep losing. Mr. Lilly said it might be a fool’s errand to play the condemnation game that Reagan set up at the state level rather than making a deal. The difference here is that staff has brought a deal to the table. Mr. Lilly said he must assume Reagan would operate under good faith if Millcreek does. Mr. Lilly explained he would love to go to the Legislature if this deal ends up working and say that cities can deal with this and be left alone. Council Member Marchant said he wants to do what is best for the city and playing the blame game does not help. It was brought up tonight that what happens here is the legacy of the City Council and Mayor. If the City Council does not know where they will end up due to the impact of doing nothing or going through the long legal battles, Council Member Marchant does not want this as his legacy. Council Member Marchant said he likes knowing what the city is going to get. If a referendum occurs it will be the legacy of the people who make it. Council Member Marchant said the new proposal is a compromise and that is what government is about. Council Member Marchant does not want billboards either. The fact is one option saves the city a lot of money and a ton of uncertainty.

Council Member Marchant moved to consider Ordinance 21-48, Amending the City Center Master Plan and Title 19 of the Millcreek Code of Ordinances with Respect to Digital District Signs. Council Member Jackson asked Council Member Marchant if when he said consider if he meant approve. **Council Member Marchant said he recommends approval of the motion.** Council Member Uipi said that four community councils all voted for the no cost option and less billboards. Now the City is bringing back something better than putting up three billboards. **Council Member Uipi seconded the motion.**

Council Member Marchant said that at any time people at the community councils they could have objected but did not. Council Member Marchant heard that some community council members felt they did not get a chance to hear the other side, but other community council members said that was not the case. Council Member Catten said that staff discusses what options would be. It is difficult because the perception is that staff has been making bad deals. Things change before applications get to the first read with the City Council. The Planning Commission is full of seasoned professionals who give good advice. There was a difference in this issue. Council Member Catten said the City Council did not communicate well with the Planning Commission because there had not been a first read yet. Council Member Catten said to Mr. Winder months ago this would be a very hard sell for her and for everyone else. Council Member Catten thanked residents for reaching out about this issue. The City Council has spent an immense amount of time considering the billboard issue. Council Member Catten thanked residents for their input. Council Member Catten said she does not believe the process could have been made smoother. The deal and ordinance at the first read were not going to come to a

vote because changes needed to be made. A billboard must come down, a lot of things need to happen for it to come down. Everyone has worked very hard and has come to this in good faith. Council Member Catten says she thinks this is a good deal, probably the best that the city is going to get. Council Member Catten does not want an old, dilapidated billboard next to Millcreek Common. Everyone has done their best to take everything into consideration and what is the best decision for the city. This is a compromise. Council Member Jackson said that she hates billboards and has fought against them. There are residents who say they will pay whatever it takes, but there are many people who cannot pay more. There will probably need to be a tax increase anyway to pay for the police. The police are more important than a billboard. This deal does not cost Millcreek any money, but it is a compromise. Compromises are not always comfortable because they require give and take. Council Member Jackson feels that the right of first refusal cannot be ignored. It must be addressed because financial obligations have already been made. Hours and hours have been spent in planning and with consultants to design and build Millcreek Common and a new City Hall.

The Deputy Recorder asked for clarification on the motion made by Council Member Marchant. Council Member Marchant said he recommended approval of the motion. The Deputy Recorder asked to confirm that the motion is for adoption of Ordinance 21-48. Council Member Marchant said yes. Council Member Jackson asked the Deputy Recorder to call for the vote. The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.

2.5 Discussion and Consideration of Ordinance 21-49, Approving a Billboard Exchange, and Operating Agreement with Reagan Outdoor Advertising with Respect to One Billboard Located at 1333 East 3300 South

Council Member Marchant moved to approve Ordinance 21-49, Approving a Billboard Exchange, and Operating Agreement with Reagan Outdoor Advertising with Respect to One Billboard Located at 1333 East 3300 South. Council Member Uipi seconded the motion. Council Member Jackson said she wants to reiterate that the Council understands people will not be happy with this decision. There are many things the Council is not happy about but considering everything the Council feels this is best. **The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.**

Council Member Uipi thanked Council Members Jackson and Catten for their help on this issue. Council Member Jackson turned the Chair back to Mayor Silvestrini who rejoined the meeting.

3. Business Matters

3.1 Discussion and Consideration of Ordinance 21-45, Amending the Flood Damage Prevention Ordinance Chapter 17.24 of the Millcreek Code of Ordinances

Mayor Silvestrini said the City Council did a first read of this ordinance at the last meeting. This ordinance change is to ensure Millcreek remains eligible for the Federal Flood Insurance Program.

Council Member Uipi moved approve Ordinance 21-45. Council Member Jackson seconded. The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.

3.2 Discussion and Consideration of Resolution 21-38, Authorizing and Approving Proceedings in Eminent Domain as Necessary

Mayor Silvestrini said that the city has been working for a long time to install sidewalks on 3300 South. One property owner has not been willing to come to an agreement with the City regarding a sidewalk. John Miller, Public Works Director, said this is one of 3 projects that the city received a grant for. The 700 East project is complete. The owners of Jager Apartments are working with the city, but things have not gone very far. Mr. Miller hopes that a resolution can be reached with the owner. Three years of construction inflation have raised costs from \$60,000 to nearly double. There is an obvious safety situation here. Council Member Marchant asked for the address. Miller said 1750-1885 South on the south side of the street. Mayor Silvestrini said this Resolution starts eminent domain, but the city is confident that they can come to a resolution. This is hard for the property owner because it will restrict part of their parking lot to compact cars only. The overwhelming public welfare demands that sidewalk be put in and the city cannot wait much longer. This Resolution lets the owner know that the City intends to take the property and then if the City needs to apply for an order of immediate occupancy to start the project. Council Member Uipi said she was at the first meeting with the Jagers and wanted to know if this is still a discussion. Mr. Miller said yes, if the city does not move on this project, grant money will be taken from the city. Council Member Uipi asked if the Jagers wanted to speak.

Al and Wendi Jager, 3351 E. Elgin Drive, related they have been residents in Millcreek for all their lives. They own Jager Apartments LLC. The property was built by Al's father. The property has been there for 50 years and a home to many Millcreek residents. They have tried to keep rents affordable through the pandemic. They are not opposed to the sidewalk but are opposed to actions of staff regarding their concerns. They would like things promised in the meeting to come to fruition. They have three issues: runoff, shortening parking spaces, and storage of snow removal. Right now, they do not have a problem with runoff but if there is a curb and sidewalk, which will cause a water run-off issue. Water will not go out to 3300 South if a curb is built. The water on 1940 East pools up and flows into a field behind them and then runs out their parking lot. They lose two units every time a storm comes in. Limiting parking for their units is a major problem. People did not have two cars when these buildings were built. Losing a parking stall affects their income. There are no side streets for people to park on. The Jager's stack snow in the winter in the stalls that will be affected. They are for guest parking and residents, to eliminate that will cause restructuring of the parking lot. They realize that ten feet of their property must be taken. They worry about the issue of rainfall and where rain will go in a big storm. There are 33 residents at the apartments. They would like to work with the city to make this work.

Mayor Silvestrini said he will instruct staff to work with them. The concerns raised are legitimate. Mayor Silvestrini said his door is open to the Jagers. Maybe the City can augment by adding a drain. Council Member Uipi said she echoes what the Mayor said. Council Member Marchant thanked the Jagers for coming. Mayor Silvestrini thanked them for maintaining affordable housing in Millcreek. Mayor Silvestrini said the stormwater fee helps with these issues. Council Member Uipi asked if the resolution can be continued. Mr. Brems said it could. Council Member Uipi said again that she wants the city keep working on this. Mr. Miller said that they cannot fix something that is pre-

existing on the property. An appraisal was done for the land and staff will continue to try to address the issue.

Council Member Uipi moved to continue item 3.2, Resolution 21-38. Council Member Jackson seconded. The Mayor called for the vote. All Council Members voted yes. The motion passed unanimously.

3.3 Discussion and Consideration of Resolution 21-39, Adopting the Millcreek Records Management Plan

City Recorder Elyse Sullivan said there were multiple sections of state and city code that called for the management of the city's records. So, the Millcreek Records Committee, which consists of two representatives from each city department, crafted a plan to manage Millcreek's records. The committee, department directors, and the Council had opportunity to review the plan and provide feedback. The plan sections are: purpose, records committee, training, record storage, record retention and destruction, records requests, emergencies, and appendices. By default, the city adopts the State's General Retention Schedule and where that fell short, Millcreek created and added their own record retention schedule. She explained that the records were functionally organized and listed in the plan with their associated storage location and retention. There was also an electronic communications policy that guided the management of emails. Mayor Silvestrini thanked Ms. Sullivan for her work on this plan. Council Member Marchant asked if Ms. Sullivan likes the plan and if it would keep the city out of trouble. Ms. Sullivan said it is a good start and there will always be room for improvement.

Council Member Jackson moved to adopt Resolution 21-39, Adopting the Millcreek Records Management Plan. Council Member Marchant seconded. The Deputy Recorder called for the vote. All Council Members voted yes. The motion passed unanimously.

4. Reports

4.1 Mayor's Report

Mayor Silvestrini reported that the Utah redistricting committee released their plan for Senate and House districts. Millcreek has been chosen as the four corners of Utah for congressional redistricting. Mayor Silvestrini has had a conversation with the city's federal lobbyist. Now the City can lobby with four members of congress rather than one. This probably creates more work for Millcreek, but four doors are open to the city. The citizen's initiative redistricting board drew different maps. The Utah Senate District map is probably better because that map lumped Millcreek in with Park City. That would probably not serve Millcreek interests very well.

The city advertised for a finance director and is interviewing candidates. The Economic Development team applied for and received a new \$117,000 grant for improvements to the Jordan River Trail.

4.2 City Council Member Reports

There were no Council Member Reports.

4.3 Staff Reports

There were no reports.

5. Consent Agenda

5.1 Approval of October 25, 2021, Regular Meeting Minutes

Council Member Jackson moved to approve the October 25, 2021 Regular Meeting Minutes. Council Member Uipi seconded. Mayor Silvestrini called for the vote. All Council Members voted yes. The motion passed unanimously.

6. New Items for Subsequent Consideration

There were none.

7. Calendar of Upcoming Events

- Planning Commission Mtg., 11/17/21, 5:00 p.m. at City Hall
- City Council Mtg., 11/22/21, 5:00 p.m. at City Hall

ADJOURNED: Council Member Jackson moved to adjourn the meeting at 10:56 p.m. Council Member Uipi seconded. Mayor Silvestrini called for the vote. All Council Members voted yes. The motion passed unanimously.

APPROVED: _____ **Date**
Jeff Silvestrini, Mayor

Attest: _____
Elyse Sullivan, City Recorder