

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
December 7, 2021

City Building
55 South State Street
Clearfield City, Utah

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Kent Bush	Councilmember
	Nike Peterson	Councilmember
	Vern Phipps	Councilmember
	Tim Roper	Councilmember
	Karece Thompson	Councilmember
STAFF PRESENT:	JJ Allen	City Manager
	Summer Palmer	Assistant City Manager
	Stuart Williams	City Attorney
	Adam Favero	Public Works Director
	Braden Felix	City Engineer/PW Deputy Director
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Spencer Brimley	Community Development Director
	Brad McIlrath	Senior Planner
	Kelli Bybee	Communications Assistant
	Nancy Dean	City Recorder

Mayor Shepherd called the meeting to order at 6:03 p.m.

DISCUSSION ON THE AQUATIC AND FITNESS CENTER ROOF REPLACEMENT

Curtis Dickson, Community Services Deputy Director, stated staff was recently approached by the Davis School District about replacing the roof at North Davis Junior High. He indicated the District began replacing the roof in the summer of 2021. He noted the District planned to replace the roof in phases, with another phase in the summer of 2022 and the last phase in the summer of 2023; however, the timeline was moved up due to leaks. He acknowledged staff had previously discussed working in partnership to complete the roof over the pools when the district was doing the portion over the gym to help save money; however, the District decided to complete all the work during the summer of 2022 because there were several leaks that needed to be addressed sooner. Mr. Dickson asked if the City would like to join in and get the Aquatic Center re-roofed at the same time. He acknowledged the roof was not due to be replaced until 2024 according to the capital improvements plan. He explained the City was not having too many leaks; however the roof was eighteen years old.

Mayor Shepherd commented there did not seem to be a need to do it right away. He noted there could be some cost sharing opportunity; however, prices could also go down.

Councilmember Peterson asked staff what they thought about joining with the District. Mr. Dickson felt like it could wait for a couple years. Councilmember Peterson wondered if it would be easier to deal with the occasional maintenance issues rather than bump projects on the capital project list. Mr. Dickson replied that those other projects on the list would probably need to be completed before the roof. There was a discussion about holding off for a couple years, rising inflation costs, and whether it would be good to move the project up on the schedule or wait for a couple more year.

The consensus of the Council was to wait to replace the roof.

DISCUSSION ON REGISTRATION AND PARTICIPATION IN THE NATIONAL OPIOID SETTLEMENT

Stuart Williams, City Attorney, stated all 50 states, Washington D.C., and five U.S. territories were part of a 26 billion dollar settlement agreement with the nation's three major pharmaceutical distributors which manufactured and marketed opioids. He acknowledged the State of Utah was earmarked to receive \$151 million, and that sum could be increased by an additional \$120 million, for a total of \$271 million if each county in Utah and all the cities exceeding 10,000 people participated in the settlement.

Mr. Williams commented there would be a resolution to consider in policy session on December 14, 2022 which would authorize the City's registration and participation in the national opioid settlement. He explained the process would afterwards require for the City to get registered and waive its rights to an individual lawsuit.

DISCUSSION ON THE AWARD OF BID FOR THE TRAIN WATCH PRESSURE REGULATOR VALVE INSTALLATION PROJECT

Adam Favero, Public Works Director, stated the new Train Watch pressure regulator valve (PRV) would improve the quality of water pressure in what was the City's largest pressure zone. He explained the new PRV would allow the Public Works Department to divide the currently over-sized pressure zone into two separate zones. There was a discussion on the area affected. Mr. Favero noted the City solicited bids and three were received. He acknowledged JR Burton Contractors was the lowest responsible bidder with a bid amount of \$183,061.75.

Mr. Favero explained the current fund balance for the project upgrade was \$145,000 so there was a budget shortfall of \$56,368. He indicated it was bid earlier in the Spring and costs were about 40,000 to 50,000 higher at that time. He noted savings from the 1100 South Waterline Installation project could be reallocated to offset the budget shortfall and avoid further delays or price increases.

Councilmember Bush wondered if the cost savings from the 1100 South Waterline Installation project would be enough to cover the shortfall or if an additional budget amendment would be necessary. Mr. Favero answered it would be enough to cover it.

DISCUSSION ON THE 950 SOUTH SEWER LATERAL CONNECTIONS AS PART OF THE INDIGO 880 DEVELOPMENT

Braden Felix, City Engineer/Public Works Deputy Director, stated the developer of Indigo 880 located across from the Aquatic Center was constructing a new sewer line to service the development. He noted it would be running through 950 South just west of the development and parallel to the City's older six-inch sewer line currently in service. He commented the contractor wanted to connect to the sewer line on 950 South which was only a six-inch line. He continued the City's line was undersized by the State's standards that had been updated since the line was installed. Mr. Felix said it was an opportunity to provide a new sewer line due to be upgraded. He added by having the developer's contractor do the work, it could be done while the road was cut and be completed in the spring in conjunction with the developer's project. He acknowledged the sewer line was not planned as a future project in the capital facilities plan, nor was it budgeted so it would require a budget amendment if the improvement was desired by the Council.

Councilmember Peterson commented it made sense. Mayor Shepherd agreed.

Councilmember Bush asked what would happen to the six-inch line. Mr. Felix responded the new sewer line would be adjacent to the old line.

JJ Allen, City Manager, questioned if the street would be torn up for months. Mr. Felix answered hopefully not, the work would be done in the spring with anticipation of good weather.

The consensus of the Council was to amend the budget and do the project.

UPDATE ON THE CLEARFIELD STATION TRANSIT-ORIENTED DEVELOPMENT (TOD) PROJECT

Braden Felix, City Engineer/Public Works Deputy Director, stated the hope for the discussion was to allow for a contract to be prepared for the award of bid; however, it was not ready yet. He noted the City was working with Geneva the low bidder on the project to find ways to reduce the scope for cost savings and the City also continued to look for alternative funding solutions for the project. He reviewed the financing planned for the project which included bonds of \$18.5 million, \$1.5 million from the Davis County third quarter sales tax for property acquisition, \$1.2 million from the Utah Transit Authority (UTA) land sale, and about \$200,000 that could be committed to the project from overhead costs. He noted those funds totaled \$21.4 million.

Mr. Felix stated with adjustments to the scope, Geneva proposed the cost of the construction at \$20.5 million which had previously been \$26 million. He noted staff was still waiting to hear back from contractors to determine if there could be other adjustments such as street lighting reductions. He indicated the City was also in the process of negotiating the contract for the construction management services. He reviewed other costs that were currently unknown that could be a factor in the overall total of the project and whether there could be additional savings.

Councilmember Peterson asked staff to cover where the City shaved six million dollars. JJ Allen, City Manager, stated there were entire streets that were cut out of the project. Mr. Felix acknowledged the cuts were made in conjunction with the developer to determine what would be needed for the next four years. He reviewed the project phasing plans which included demolition, roads, and utility phasing. He highlighted the streets which were cut from the scope which included part of Depot Street and part of Grand Drive.

Councilmember Peterson expressed her concern with cutting Depot Street. There was a discussion about impacts related to connectivity and how the City would finance roads in the future that were needed if they were cut from the current project scope.

Mr. Allen responded several people had asked if Clearfield could bond for more money now. He stated he was not comfortable with that because it would take several years to build the site out. He indicated the City could perhaps bond in a few years because by then there would be a better understanding of what the site was generating from tax increment. He noted currently the City was dealing with developers that wanted to be cautious in their evaluations. He explained the tax increment model was a conservative projection that matched what was bonded for and it assumed only two office buildings were built but the City hoped it would be four buildings developed. There was a discussion about whether or not the Master Development Agreement could be amended so the City would not have to build all of the infrastructure at the onset of the project and perhaps could reimburse the developer for portions of infrastructure that were added as each of the phases was developed.

Councilmember Peterson commented the City had the biggest investment up front and then the economy changed. She agreed with Mayor Shepherd that it might be necessary to amend the agreement because the current way it was constructed with the City building all the infrastructure would require using General Fund revenues which she was not comfortable doing. Mr. Allen suggested the developer would counter with their own issues.

Mayor Shepherd wondered if there was a different pot of money that could be utilized for the project. Mr. Allen mentioned staff would work with the development partners to explore the available options. He noted there remained concerns also surrounding the funding of a parking structure. He explained a funding gap remained and there were CDRA funds available to help close the gap if that was the desire. He indicated it had always been his thought that those funds could be used for a parking structure if needed, but they would not be available later if they were used to help reduce the gap.

Mayor Shepherd questioned why there was such an extreme gap between the engineer estimates and costs of construction. Mr. Felix expressed his opinion that most of it was related to COVID, supply chain issues, and increased costs. Mayor Shepherd remarked no other projects were off the estimate like this one and he could not understand how two different engineering firms missed the mark. Summer Palmer, Assistant City Manager, responded staff was told by Zions Bank representatives that many projects were in the same spot because of all the changes in the economy over the past two years. Spencer Brimley, Community Development Director, added the scale of the project added to the cost of materials.

Adam Favero, Public Works Director, stated if the Mayor and City Council felt the contractor was gouging the City then staff could rebid the project. Mr. Allen noted even though it was a frustrating situation, the amounts of both bids were close. He acknowledged the developers had their estimating team bid the project which came very close to Geneva's bid.

Mr. Favero explained the project was a larger scale project and a lot of smaller contractors would not have the resources to do it. Mr. Felix pointed out it was a great project and many efforts would be needed for it to be a success.

Mayor Shepherd stated it was hard to swallow footing the bill for the infrastructure up front when the City could not afford to pay for it. He worried cutting pieces of the project might diminish the project that was envisioned.

Councilmember Thompson questioned how the City could find other pots of money and wondered if there was any funding available from the State. Mayor Shepherd responded he had discussed with staff the possibility of having the City hire a lobbyist to get additional funds from the legislature. Mr. Allen felt there was potential to do it. He wondered if there should be a hold on the project or if the Council wanted to move forward with the most essential chunk of the project.

Mayor Shepherd commented he was not in favor of using CDRA funds to lessen the gap.

Mr. Allen explained the CDRA funds available. He noted RDA 9 was directly to the north of the project and had excess capacity. He noted RDA 9 had about \$1.2 million available. He continued the ATK EDA funds were set aside for infrastructure improvements and there was a nexus to the Clearfield Station project. He stated currently there were about \$900,000 available and there would be another \$1.1 million over the next ten years that could be utilized. He added there was a fund balance in the CDRA that could also be used towards the project of about \$800,000. He reminded the Council that those funds could have been used to build a parking structure; however, that could not be built until there were streets and development necessitating it.

Mayor Shepherd felt the project needed to get going sooner than later. He mentioned there was funding available through the legislature so it might be worth seeking. Mr. Allen pointed out that if the CDRA funds were utilized to fill the current gap to get the project moving forward then perhaps the legislature would get behind funding a parking structure in the future. There was a discussion about reaching out and talking with other government organizations about the City's need for funding and exploring the potential for a hiring a lobbyist to help garner funding for the project.

Mr. Felix stated he was working with the Council of Governments (COG) to determine if the funds that were allocated to the 500 West Expansion project could be reallocated to the Clearfield Station infrastructure project. Mayor Shepherd felt it should be possible through an amendment and he would work with COG if needed.

There was a discussion about the advantages or disadvantages of having a public infrastructure district or special improvement district, rather than using tax increment. Mayor Shepherd

expressed his opinion that there were several options to consider including amending the Master Development Agreement or seeking additional funding.

Mr. Felix mentioned there were still some things to work through with the contractor and developer, but staff would move forward addressing them. Mayor Shepherd stated it would be important to know the timeline for 1000 East. He noted it would be imperative that 1450 South connection be opened when 1000 East was shut down. Mr. Allen asked if there had been a discussion with UDOT about when those improvements would be triggered. Mr. Felix responded UDOT said as soon as there was more traffic going into the station, then a signalized intersection would be triggered. Mr. Allen felt staff could work out a relationship with UDOT so the timing worked as needed. He noted there would be no reason to cut off 1000 East right away since it would take a couple years before the project would see any build out.

Staff committed to moving forward with the project keeping all options open and seeking for additional funding opportunities.

Councilmember Roper moved to adjourn at 7:03 p.m., seconded by Councilmember Thompson. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

**APPROVED AND ADOPTED
This 9th day of August, 2022**

/s/ Mark Shepherd, Mayor

ATTEST:

/s/ Nancy R. Dean, City Recorder

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield City Council meeting held Tuesday, December 7, 2021.

/s/ Nancy R. Dean, City Recorder