

PAYSON CITY
CITY COUNCIL MEETING AND WORK SESSIONS
Payson City Center, 439 W Utah Avenue, Payson UT 84651
Wednesday, August 17, 2022

CONDUCTING William R. Wright, Mayor

ELECTED OFFICIALS Kirk Beecher, Brett Christensen, Linda Carter, Taresa Hiatt (on line),
William R. Wright

EXCUSED: Bob Provstgaard

STAFF PRESENT David Tuckett, City Manager
Cathy Jensen, Finance Director
Kim E. Holindrake, City Recorder
Jason Sant, City Attorney
Brad Bishop, Police Chief
Robert Mills, Development Services Director
Travis Jockumsen, Public Works Director/City Engineer
Scott Spencer, Fire Chief
Jill Spencer, City Planner
Michael Bryant, Planner II
Janeen Dean, Community Events Coordinator

OTHERS Steve Jones – Hansen Allen & Luce, Lorene Moore – Chamber, Brian Hulet

William R. Wright, Mayor, called this meeting of the City Council of Payson City, Utah, to order at 5:12 p.m. The meeting was properly noticed.

A. WORK SESSION

1. Title 4, Water Amendments

Dave Tuckett explained that the amendments to Title 4, Water, was tabled from a previous meeting. The City's consultant is here to discuss the state code, the city's water situation, etc.

Steve Jones stated Hansen Allen & Luce gathered the city's water rights and conducted an audit/inventory of these ground water and well rights (culinary water) to address the future needs of the City. Currently, Payson City has an end total of 6,785.73 acre-feet of water, which all have good priority dates. Utah State doesn't distinguish between culinary and pressurized irrigation rights. Flexibility is the key especially when a municipality is growing so fast. In addition to well rights there are 12,773.53 acre-feet of spring or creek water rights with some being used in the culinary system. The existing culinary water sources include springs, well #1, well #2, and well #5, which currently produce 4,700 gallons per minute at peak day capacity. This compared to the current ERCs gives a surplus of 963 gallons per minute peak day and an existing average yearly source requirement surplus of 600-acre feet. The City needs to keep all this in check when making decisions and planning appropriately. Wells need to meet the peak day. Future peak day source requirements for the number of planned future ERCs shows a deficit of 3,836 gallons per minute with a demand of 7,185-acre feet. This does not include anything west of the railroad tracks including Spring Creek and Taylor Ranch.

Council Discussion:

Councilmember Christensen stated the focus was heading east and not west so as not to divide sources, which was understood when developing the Master Plan. If the City moves west, the City needs to account for it. He asked this to be tabled at the previous council meeting because not requiring water rights for new builds is unfair to those who provided water rights previously. He understands the City legally can't require additional water rights. The City needs to come up with a solution that is fair to the people who have built and those who are coming. Clearly there is a capacity issue.

Dave Tuckett questioned why the study didn't include the city's entire annexation growth area.

Travis Jockumsen stated there had to be a cutoff. It's difficult to determine the zoning on the entire future city.

Steve Jones stated it's difficult to get developers to develop in certain areas in order to plan utilities. The concern was getting the sewer back to the sewer plant. The scope of the study included 40 years with development east of the railroad tracks. There are a couple of concerns. One, the City is part of the Mt. Nebo Water Agency study for groundwater modeling to determine the amount of water available in the ground. The Utah State Engineers Office shows the City has 36,000-acre feet of ground water rights. His prediction of how much water is actually available is 7,400-acre feet. This 7,400-acre feet includes the entire annexation area including Spring Creek. If the City collects more than the 7,400-acre feet and exceeds the capacity of the ground, there isn't enough supply. Then the collected water has no value.

Councilmember Christensen stated he doesn't care if the City doesn't collect more water, but every new build should be paying into the city's water infrastructure, pipes, tanks, etc. The City needs a new water tank to facilitate these new homes. He is asking for an increase in fees to pay for the water infrastructure. The big developers are coming, and they need to pay equally.

Jason Sant stated how the City pays for infrastructure is impact fees, and the City charges a water impact fee. In developing certain areas, developers may have to contribute higher fees for a water tank or upgraded system to construct their development. This is the issue on the city's southern border.

Steve Jones noted the City still needs to discuss the Utah Lake Drainage Basin Water Delivery System (ULS) water as to who will pay for it. The City needs to collect the correct impact fees. Spanish Fork transitioned about 10 years ago when it found it had a load of drinking water rights and needed to make a shift. Spanish Fork switched to collecting surface water needed for irrigation (pressurized irrigation). State code 10-9a-508(3)(b) states "A municipality may not impose an exaction for a water interest if the culinary water authority's existing available water interests exceed the water interests needed to meet the reasonable future water requirement of the public."

Jason Sant noted developers are still required to provide PI water.

Travis Jockumsen stated a developer was required to provide 0.3-acre feet of culinary water per unit.

Steve Jones stated the City has a good portfolio. The City can't ask a developer to pay for the extra water unless the City can prove it paid for the water.

Councilmember Christensen stated the ULS water was a good purchase and will be a good program, but it will be difficult the first 10 years to pay it out. It sounds like there is no more ground water to be had.

Councilmember Beecher noted the cost of an acre foot of water depends on where it is located and the type of water.

Steve Jones stated the cost of an acre foot of water is around \$18,000 on the high end and \$2,000 on the low end.

Councilmember Christensen questioned how the City can add \$2,000 for a 0.3-acre foot of upgrade of water to impact fees for additional revenue for infrastructure. The people voted him in, and it's his job. They say old infrastructure doesn't matter. If it doesn't matter, then put a moratorium on all infill building because that infrastructure is already there and can't be upgraded. Impact fees won't let the City upgrade those pipes. Every time someone taps into culinary water or PI he loses pressure.

Steve Jones stated the City can charge for infill building for any current system the City paid for that has capacity. If the City pays for upsizing a system, then it can charge new development for that increased capacity. The City can't upgrade a system and charge a fee; this comes from user fees. The pipe and tank that is being installed has a ton of new capacity that can be sold. This is the same with water rights. If the City can show it paid for water rights, it can charge new development for those water rights.

Councilmember Christensen noted he wants to make sure the financial burden is on the new developments. He understands staying with the law. He suggested selling capacity for a tank out west that doesn't exist yet or buy the land and use the funds to pay for the land. His concerns have been covered and he's fine moving forward.

Steve Jones stated this is what an impact study does. It maximizes the impact fee allowed to be charged. He can certify that their calculation of those fees meet code. Impact fees need to be reviewed every year.

Dave Tuckett stated there are a couple things to decide. The City doesn't have a lot of use for the ULS water and can defer payment for a few more years. The cost is the same if paid now or 10 years later. The City can also look at leasing water to other entities by taking ULS blocks and pay for it now. This can be a future discussion. The PI ordinance was changed to require ULS or Strawberry water and maybe Salem Canal water. It could be changed to ULS only. The City can't use ULS water right now for drinking so a fee can't be charged for that purpose. The City could hire someone to do a full accounting of the city's water rights. He couldn't find within the last 30 years where the City paid for water in order to charge for it. The ordinance amendments will be on the next agenda.

Discussion that the City has a storm drain utility fee but not an impact fee, which could be created. Cities have discussed a transportation impact fee, but it's difficult to calculate because of other cities use the roads and how can it be put on the developer. Now cities are starting to create a transportation impact fee. Impact fees drive up the cost of a building; and at a time, the City was trying to encourage building. Currently, building is up and it may not matter. Higher or additional impact fees may slow down building, but building will continue and is a benefit to the City.

B. PRAYER & PLEDGE OF ALLEGIANCE (6:00 p.m.)

Prayer offered by Brett Christensen.

Pledge of Allegiance led by Kirk Beecher.

C. CONSENT AGENDA

1. Approval of the August 3, 2022 Regular City Council Meeting Minutes
2. Approval of the August 3, 2022 Special City Council Meeting Minutes
3. Ordinance – Title 2.32.40, Construction Amendments
4. Ordinance – Title 4.12 Solid Waste Collection and Removal Amendments
5. Ordinance – Title 4.16 Sewer & Wastewater Amendments
6. Ordinance – Title 5 Storm Water Amendments
7. Resolution – Mt. Nebo Water Agency Second Amended and Restated Interlocal Agreement
8. Resolution – Pace Industrial Park Annexation Agreement

MOTION: Councilmember Beecher – To approve the consent agenda as stated by the Mayor.

Motion seconded by Councilmember Christensen. A roll call vote was taken as follows and the motion carried.

Yes	-	Kirk Beecher
Yes	-	Linda Carter
Yes	-	Brett Christensen

D. PETITIONS, REMONSTRANCES & COMMUNICATIONS

2. Chamber Business of the Month

Lorene Moore announced the Chamber Business of the Month is Chubby's Cafe.

1. Payson/Santaquin Chamber of Commerce Quarterly Report

Lorene Moore reported the Chamber currently has 154 members, and the Ambassador Program working to increase membership. Revenues for July 2020 to June 2021 was \$61,354.88. This was the year of the pickleball tournament, which was very successful. Revenues for July 2021 to June 2022 was \$54,243.24, which was not quite as high because of late membership renewals and a few businesses were still struggling from COVID. The pickleball tournament didn't do as well because it competed with other tournaments at the same time. The first Santaquin Orchard Days Pancake Breakfast was a very successful event. The Chamber will have an ice cream booth at the Payson Onion Days Car Show. The Chamber is organizing a business crawl for an opportunity to go from business to business to see what is available in the community. The Breakfast Club meets every first Tuesday of every month, which is a very good for networking event.

3. Public Forum

No public comments.

4. Staff and Council Reports

Staff Reports

COMMUNITY EVENTS – Janeen Dean thanked the Council for their support with the Salmon Supper, which went very well with plenty of fish. It gets better each year. She asked the Council to consider how they want to travel in the Onion Days Parade. Murdock is a top sponsor and may be willing to help with a vehicle. In the parade, only walkers can throw candy. She asked the Council to look at the events and choose one where they could be present.

PARKS & GOLF - Tracy Zobell stated the night golf tournament sold out in two hours.

PLANNING – Jill Spencer stated the US Forest Service is proposing amendments to the recreational fees for the Uintah, Wasatch, and Cache National Forests and is soliciting input. She encouraged the Council and public to get involved in the process. In the Spanish Fork Ranger District, there are 16 areas proposed to be fee areas with seven of those along the Scenic Byway. The public comment period has been open since July 7 and continues to September 7. Because of the amount of input received so far, they are offering public open house gatherings to look at information and discuss the proposal with Forest Service staff. One of these will be in Payson on August 25 from 5:30 p.m. to 7:30 p.m. in the banquet hall. It is important to share why we want our canyon and how we use the canyons. The consensus of the Council is to have Mayor Wright write a letter on the matter.

RECREATION – Karl Teemant reported swim lessons wrapped up last week. He commended the pool staff and instructors. The pool closes on Labor Day weekend. Tackle football began last night, and youth soccer begins next week. Fall adult softball leagues began as well.

DEVELOPMENT SERVICES – Robert Mills stated two weeks ago the informational meeting for the Spring Creek Area Plan was held with 55 people participating. Notification was sent yesterday to the entire area encouraging comments to be made on the website until September 1. Staff will then have a plan to the Council midfall. He has worked for Payson for almost a year now and appreciates working with the Payson City staff. They are great staff and have a good working relationship.

Council Reports

Councilmember Christensen stated the staff is great. He calls with strange obscure questions, and staff is always happy to give answers and direction. It's good to see the rain.

Councilmember Carter agreed with the great staff. She had a question at the dump and called and called but got no answer. She finally called the city offices to find there is a new number for the dump. This information needs to get to the council and public.

Councilmember Beecher stated he found water shooting from a broken sprinkler on Saturday and tried to reach the Parks Department but couldn't. It would be good for the Council to have phone numbers and emails to reach staff, which isn't easy to find on the website. Dave Tuckett noted there is an updated phone list that he will get out to the Council and staff.

E. ACTION ITEMS

No items.

F. WORK SESSION

1. Discussion regarding Economic Development (6:37 p.m.)

Presentation:

Brian Hulet stated he wanted to discuss the Economic Development Strategic Plan, which was started about two years ago but sat for a while because of COVID. Some of the information he sent out is a little dated. He asked the Council to provide their ideas and then priorities at the end.

- Quick Facts:
 - Current population is 21,824 and is estimated to be 58,500 by 2050.
 - Current population trade area is 83,601 and is estimated to be 259,026 by 2050.
 - Traffic (2021) includes I-15 with a daily traffic count of 44,902, 800 South with a daily traffic count of 17,647, and Turf Farm Road with a daily traffic count of 7,846.
 - New construction includes the new technical college (84,000 square feet), new high school (2023), 3,769 new residential units, 1.2 million square feet of commercial office/warehouse, four new surgical hospital theaters, CMP (1,000-acre gun range), \$8.2 million new streetscape for historic downtown, and \$52 million sewer plant upgrade.
 - Also, leisure, Mountain View Regional Hospital, Payson LDS Temple, local businesses, and Movie Production.
- Commercial construction total office/warehouse approved or planning stage includes 1,232,171 square feet. Commercial construction is flatlining but doing okay.
- Residential construction has jumped up the last four years with 1,654 units in the last 3.5 years. The percentage of single family to multifamily is 2020 - 62.4%, 2021 - 69.7%, and 2022 - 83.1%.
- The City recently purchased software to track visitors in order to recruit businesses. The City gets a lot of visitors from down south. When businesses draw circles to determine populations, it doesn't capture the southern areas that come to the City. The new software shows where a person comes from at every business in the City. For example, Walmart shows people shopping from Payson at 14.88%, Santaquin at 7.3%, Spanish Fork at 6.76%, Nephi at 4.28%, Salem at 4.08%, Delta at 3.38%, and Springville at 2.42%. The software will also capture businesses not located in the City.
- The Payson LDS Temple traffic count from 8 a.m. to 4 p.m. Tuesday through Saturday equates to 115,700 visitors overall with 49,812 over 50 miles, 32,877 over 100 miles, and 21,047 over 250 miles.
- Economic development also looks at sales tax that went up 15% in 2021 and 11% in 2022. Property tax and building permits are other measurements of growth.
- EDC Utah helped create a pamphlet of information about the City that was taken to the International Council of Shopping Centers (ICSC).

An Economic Strategic Plan Outline was created and included a core team; vision, goals, and objectives; stakeholders; survey; organizational capacity/needed outside help; local economic assessment; clusters and retail identification; land and building identification; water and infrastructure; goals and objectives; programs and projects to achieve objectives; strategy, and review.

- Mission Statement for Payson Economic Development Committee – *The Economic Development Committee of Payson (EDCP) promotes economic development and improvements of all business conditions in Payson in order to maximize employment*

opportunities, the tax base, and quality of life in Payson. The primary focus of the committee is to recruit industrial and retail businesses and help existing businesses to grow and thrive. Its secondary focus is to promote tourism, educational opportunities, residential development, and downtown development. The committee serves as a conduit between the commercial interest of Payson and the municipal government. Think globally, interact regionally and act locally.

- Vision Statement for Economic Strategic Plan – *To devise and execute a plan that will lead Payson to be the preferred destination in Utah for ADVENTURE, including experience-based education, interactive business opportunity, and world-class outdoor recreation while improving the quality of life of its citizens.* The City needs to determine if it really wants to do this. Does the City really want to be world class in outdoor recreation or have experience-based education?
- All of this goes back to Home to Adventure with different bases of adventure not just outdoor recreation but education and business.
- The committee did an analysis of the strengths, threats, opportunities, and challenges of the City. Clusters were addressed including education; outdoor recreation, hospitality, and tourism, retail; manufacturing; health care (live science) supported by the hospital; and transportation.
- Key initiatives were created with goals. The city's general plan includes a portion with economic development that needs to include these key initiatives. Focus areas were created with specific strategies, time lines, lead/supporting organizations, and budget costs.
- Things the committee is doing to recruit/retain retail/commercial businesses include respond to RFI's from EDC Utah, working with commercial developers/agents, adventure days, annual economic development golf event, networking, meetings with existing businesses, new website, new software, makerspace (UVU), and lobbyist. The committee is proposing the first Saturday in June be Adventure Days.
- Immediate challenges include retail/interstate frontage property, industrial property, CMP/BLM, populate economic development portion of the Payson website, and new I-15 interchange.
- Secondary challenges include hotel, restaurant, big box, UVU, Huish remodel, food hall, main street streetscape, DeHart property, and LDS Church property.

Council Discussion:

The Council discussed and created a list of priorities that included the following:

Priority Items:

- Downtown parking.
- I-15 interchange.
- Sit-down restaurant.
- Sales-tax generators – cars, retail, wholesale warehouse (Sam's Club), home improvement, Smith's Marketplace.
- Home to Adventure – CMP (gun range), motocross, forebay, Pro Bass Store, side by sides, sporting goods (sportsman warehouse), short term rentals (air b&b), equestrian park/rodeo, multi-use trails (propose to forest service), winter use of Nebo Loop, Boy Scout Camp/Maple Dell, hotel (Great Western Lodge), and Spring Lake.
- \$\$\$ jobs so people can afford to live in the Payson.
- High end neighborhoods.
- Drive-ability.
- Community image – parks; curb, gutter, sidewalk.

Discussion that the quality of life and hometown feel came out strongly in the survey about three years ago. The City needs to conduct a survey outside the city to see what people want to see to draw them to Payson. Which priority items if done would cause a ripple affect on the other items? The LDS Church property can develop in three years and with the interchange a lot of change can happen. The I-15 interchange is key. Other businesses are waiting in the wings to follow a large business such as Smith's Marketplace.

Brian Hulet stated it looks like the focus is on a big box, restaurant, getting CMP to come, land for interstate/commercial/industrial, and the I-15 interchange.

G. ADJOURNMENT

MOTION: Councilmember Carter – To adjourn. Motion seconded by Councilmember Christensen. Those voting yes: Kirk Beecher, Linda Carter, Brett Christensen, Taresa Hiatt. The motion carried.

The meeting adjourned at 7:42 p.m.

/s/ Kim E. Holindrake

Kim E. Holindrake, City Recorder