

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, October 2, 2018 at 5:30 p.m. in the Logan City Municipal Council Chamber, 290 North 100 West, Logan, Utah. Chairman Thomas C. Jensen conducting.

Councilmember's present at the beginning of the meeting: Chairman Thomas C. Jensen, Vice Chair Jeannie F. Simmonds, Councilmember Amy Z. Anderson, Councilmember Jess W. Bradfield and Councilmember Herm Olsen. Administration present: Mayor Holly H. Daines, Finance Director Richard Anderson, City Attorney Kymber Housley and City Recorder Teresa Harris.

Chairman Jensen welcomed those present. There were approximately 32 in attendance at the beginning of the meeting.

### **OPENING CEREMONY:**

Bryan Erickson, CEO of Sunshine Terrace gave the opening prayer, and led the audience in the pledge of allegiance.

**Meeting Minutes.** Minutes of the Council meeting from September 18, 2018 were reviewed and approved.

**ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Bradfield to approve the September 18, 2018 minutes as amended and approve tonight's agenda. Motion carried unanimously.**

**Meeting Agenda.** Chairman Jensen announced there are two public hearings scheduled for tonight's Council meeting. He announced that Ordinance 18-14 will be continued at the request of the proponent.

**Meeting Schedule.** Chairman Jensen announced that regular Council meetings are held the first and third Tuesdays of the month at 5:30 p.m. The next regular Council meeting is Tuesday, October 16, 2018.

### **QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL:**

There were no questions or comments for the Mayor or Council.

### **MAYOR/STAFF REPORTS:**

#### **Joint Logan Municipal Council and Cache County Council Meeting – Mayor Daines**

Mayor Daines announced that a joint Logan Municipal Council and Cache County Council meeting will be held on Tuesday, October 30, 2018. The meeting will be held in the City Hall Conference Room located at 290 North 100 West, Logan, Utah.

## **Logan City Police Department Commendations – Captain Curtis Hooley**

Captain Curtis Hooley addressed the Council and recognized Logan City Police Officers for their investigative work in solving the missing person/homicide case of Merrilee Cox-Lafferty.

## **Peak Power Rates Summer 2018 – Mark Montgomery, Light & Power Director**

Light & Power Director Mark Montgomery addressed the Council regarding the Peak Power Rates for the summer of 2018. He reviewed the power rates during the summer months with July having the highest rates. He said typically, summer months always has a lot of pressure on the price of power. There are resources that are scheduled but, the City scheduled short and purchased power on the market because most of the time it's more cost effective than to schedule long and then sell for nothing. During the month of July, the peak cost was \$359/per megawatt hour when typically, the cost is approximately \$28/per megawatt hour. Also during the month of July several of the City's resources went down so the City had to buy more power. A public request went out asking users to turn up their thermostats to help with the increased costs and power usage. Mr. Montgomery said the Light Department will still come in under budget. He said there is a clause in the City's power rates that states, if we get pressure and we have to purchase more expensive power on the open market, we can pass that onto the rate payers. He doesn't think it will be necessary but is something to consider in the future if needed.

## **Proclamation: Friends of the Logan Library Month – Brad Armstrong**

Brad Armstrong, President of the Friends of the Logan Library addressed the Council and read a Proclamation declaring October as *Friends of the Logan Library Month*. He said the Friends of the Logan Library are dedicated to the promotion of the Library and the advancements of their mission. The Friends of the Logan Library has raised money through book sales to support the Library with equipment resources, programming events and have spent \$7,500 over the last year on various Library needs including furniture, a 3D printer and other items. The Friends of the Logan Library will continue with fundraising and marketing for a new Library. For those interested in joining the Friends of the Logan Library there are membership brochures in the Library. The cost is \$5 for an individual and \$10 for a family and membership is for one year.

Chairman Jensen thanked Mr. Armstrong and Logan Library Director Karen Clark for all of the activities that are held at the Library and the outreach and service they provide to the community.

## **Herald Journal Reporter Sean Dolan – Mayor Daines**

Mayor Daines announced that Herald Journal Reporter Sean Dolan has accepted a new job in Cortez, Colorado and will be leaving Cache Valley. She thanked Mr. Dolan and said he is the example of what a good journalist should be. He has been fair and accurate when reporting City news and she expressed her appreciation and thanked Mr. Dolan for his good work.

The Council also expressed their thanks to Mr. Dolan and wished him well in Colorado.

No further items were presented.

**COUNCIL BUSINESS:**

**Center Street Assessment Area, Board of Equalization Appointments – Kymber Housley, City Attorney**

Logan City Attorney Kymber Housley addressed the Council regarding the Center Street Assessment Area, Board of Equalization Appointments. The Council can serve as the Board of Equalization if they want to participate in the meetings which are held on consecutive days or they can appoint a board. Mr. Housley proposed that Mayor Holly Daines, City Treasurer Tyson Griffin and Assistant City Engineer Tom Dickinson serve on the Board of Equalization. Public meetings have been scheduled and noticed for the following dates:

Monday, October 8, 2018 – 9:00 – 10:00 a.m.

Tuesday, October 9, 2018 – 4:00 – 5:00 p.m.

Wednesday, October 10, 2018 – 2:00 – 3:00 p.m.

Mr. Housley stated that individual property owners can attend these meetings and protest their assessment.

**ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Bradfield to approve Mayor Holly Daines, City Treasurer Tyson Griffin and Assistant City Engineer Tom Dickinson to serve on the Board of Equalization as presented. Motion carried unanimously.**

No further items were presented.

**ACTION ITEMS:**

***(Continued from the September 4, 2018 Council meeting) - Zone Change – Consideration of a proposed zone change. Kevin McGaha/Michael K. Jones Trustee of Ralph L. Huber Family Trust, authorized agent, owner, requests to have a 1.54-acre parcel rezoned from Recreation (REC) to Commercial (COM) as it was previously zoned (2006-2012) located at 114 East 1000 North – Ordinance 18-14***

Chairman Jensen reported that Kevin McGaha, who represents Lowell Huber for the Municipipool Rezone project requested that the proposed rezone be continued to allow additional time to finish and record the Boundary Line Adjustment.

**ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Olsen to continue Ordinance 18-14 to November 6, 2018 as presented. Motion carried unanimously.**

**PUBLIC HEARING - Consideration of a proposed resolution adopting Amendment 1 to the Community Development Block Grant (CDBG) Program Year 2018 (PY2018) Annual Action Plan for the City of Logan – Resolution 18-41**

At the September 18, 2018 Council meeting, Planner and CDBG Coordinator Aaron Smith addressed the Council regarding the proposed resolution.

**PY2018 Amendment 1**

- Cancel Bridger Bike Park
- Create Bridger Park Pathways project - \$25,000
- Cancel 200 East 800 North Sidewalk and Corners
- Reallocate \$85,000 to 300 West 600 South Sidewalk and Corners. Total funding \$130,000
- Reallocate \$15,000 to 200 West 1300 North Sidewalk and Corners
- Designate the 200 West 1300 North Sidewalk and Corners project as a receive project for funding reallocations from competed projects, cancelled projects, or recaptured funds up to \$70,000.

Chairman Jensen opened the meeting to a public hearing.

There were no comments and Chairman Jensen closed the public hearing.

**ACTION. Motion by Councilmember Olsen seconded by Vice Chair Simmonds to approve Resolution 18-41 as presented. Motion carried unanimously.**

**PUBLIC HEARING - Budget Adjustment FY 2018-2019 appropriating - \$12,910 for the Deer Pen Property Subdivision Design; \$12,000 a grant the Police Department was awarded from the Internet Crimes Against Children Task Force of Utah; \$2,600 a grant the Police Department received from the State of Utah to purchase and maintain Drug Force Task Force equipment; \$81,626 State Task Force grant the Police Department received to reduce, prevent and investigate drug use – Resolution 18-45**

At the September 18, 2018 Council meeting, Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustments.

Chairman Jensen opened the meeting to a public hearing.

There were no comments and Chairman Jensen closed the public hearing.

**ACTION. Motion by Councilmember Bradfield seconded by Councilmember Olsen to approve Resolution 18-45 as presented. Motion carried unanimously.**

**WORKSHOP ITEM:**

**Budget Adjustment FY 2018-2019 appropriating: \$53,250 Parks & Recreation Rolling Stock Reserves (account# 293105) for the purchase of a mini excavator; \$25,950 funds received for special overtime shifts in the Police Department; \$101,575 funds received from an insurance recovery toward the purchase of a replacement vehicle; \$2,636 restricted funds (292116) for the Peer Court Program;**

**\$30,000,000 Sewer Treatment Fund reserves toward the construction of the Sewer Treatment Plant - Resolution 18-47 – Richard Anderson, Finance Director**

Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustments. He further explained that the proposed purchase of a mini excavator will be used at the Logan Cemetery, the proposed \$101,575 is for a replacement vehicle in the Environmental Department which was recently totaled in an accident. He also explained the proposed \$30,000,000 is from Sewer Treatment Fund Reserves that we have built up over the last decade to be used for the Sewer Treatment Project. We are now at the point where construction is to commence, the City is finalizing bond issues and collecting the total amount of \$150,000,000. The request to Council is to appropriate \$30,000,000, \$70,000,000 was received from the State and the intent is to issue an additional \$20,000,000 from the State at 1.5% and an additional \$10,000,000 from the CIB Board at 1.5%. We will use \$12,000,000 of City reserves that will be collected over the construction period of the project which will have a total of \$140,000,000 to complete the project. Mr. Anderson said if there are any significant change orders, we will have to consider bonding.

Chairman Jensen asked is it true that the only change orders you can have are unforeseen conditions or a scope change by the owner.

Mr. Anderson responded generally, that is true.

Sewer Treatment Project Manager Mark Nielsen addressed the Council and explained that in the price tag we have a 2.5% risk contingency which is controlled by the City but is really to assist between the general contractor and the sub-contractor. We also have some flexibility that if we need more funding, we can bond or maybe not do some things with the project which, will free up funding. He feels at this point, we have a better understanding than any other large project we have ever done because the contractor has been through the drawings and specs and they have talked to the sub-contractors and we have already identified potential problems and have corrected them. They City has been very proactive to get all the issues resolved ahead of time but the biggest risk is price escalation. Labor is a fixed cost and is not part of escalation and the only flexibility is major equipment.

Mr. Anderson said there is an additional request to include the \$69,131,000 in bonds which were approved last year but nothing was done budgetarily because we did not intend to use those bonds until now. There is now a request to include the \$69,131,000 that is remaining on the bond issuance from the State to appropriate that towards the capital improvement and the funding source will be the issuance of those bonds. We will issue the bonds as they are used.

Councilmember Bradfield commented that we are talking about millions of dollars being spent for this project and we would hope that people would be interested and attend the meeting and make comments during the public hearing.

The proposed resolution will be an action item and public hearing at the October 16, 2018 Council meeting.

## **OTHER CONSIDERATIONS:**

No further considerations were addressed by the Council.

## **ADOURN TO MEETING OF THE LOGAN REDEVELOPMENT AGENCY**

Chairman Jensen welcomed those present. There were approximately 32 in attendance at the beginning of the meeting.

## **ACTION ITEM:**

### **PUBLIC HEARING – Consideration of a proposed resolution approving the South Main River Community Reinvestment Project Area Plan – Resolution 18-46 RDA**

City Attorney Kymber Housley addressed the Council regarding a proposed resolution approving the South Main River Community Reinvestment Project Area Plan. This area is located in the area South of 400 South to the Logan River and West of 100 East to Main Street and the area South of 400 South to approximately 750 South and East of 100 West to Main Street in Logan, Utah. The Project Area consists of approximately 36.5 acres of privately owned land. The proposed intent with respect to the Project Area is to facilitate the development of commercial and mixed-use projects, enhance the areas along the Logan River as a public amenity, remove blight and provide for the strengthening of the tax base and economic health of the entire community and the State of Utah. Mr. Housley stated that by approving this resolution tonight it does not appropriate any money it just defines an area that will allow the City of Logan to go to the taxing entities and negotiate some type of tax contribution. The funds he is referring to are the difference between the current tax value and the new tax value that would occur because of new development which, is the tax increment. This is money that would normally be paid into property tax and would now go to the Agency and can be used for public infrastructure, public right of way enhancements and incentives to individual property owners for the project. A large part of the incentive is the development of a public trail system along the Logan River. He said realistically the trail will go on the East side of Main Street and most likely will not go across Main Street.

Mayor Daines stated there is a historic bridge in this area and it would be difficult and costly to go under the bridge.

Councilmember Olsen indicated that he has no personal interest in any of the property being discussed but, his law firm (Riverwoods) owns an interest in the building next to the proposed Project Area so he abstained from voting on the resolution.

Chairman Jensen opened the meeting to a public hearing.

Logan resident Jason Canin addressed the Council. Mr. Canin lives at 64 East 400 South. He referred to Section 7 of the South Main River Community Reinvestment Project Area Plan and said he is confused with the wording and is concerned that his property will be taken with the new development if he doesn't continue to make improvements to his property. He has been told several times that his property will not be affected but, he is

still concerned. He has lived on 400 South for the past 11 years and has seen the entire area change. He works hard to maintain his property both his home and landscaping and he is very concerned about his property value going down and only being compensated for his land and not the value of his home.

Logan resident Sarah Cochran lives at 52 East 400 South and addressed the Council regarding her concern about the proposed project. She asked if a more detailed description of the project can be provided to the property owners. She would also like to see more information on what exactly the expectation will be of the property owners. She is concerned about tax increment going to private investors and would rather see the increment go to public safety or a new library.

Logan resident Gail Yost addressed the Council and said in the past, she has heard the Council talk about how difficult it is to legislate quality projects. She asked what is the determination of blight when the City looks at a project and she feels the public needs more information on what is considered blight.

Logan resident Audrey Gifford addressed the Council. She supports redevelopment and she would also like to know where the tax increment is going. She feels it should not go to the developers but should go to public safety and back to Logan residents.

Logan resident Joe Tennant addressed the Council and said he supports redevelopment projects and feels they are good for Logan City to help incentivize new businesses for tax increment in the future.

Bracken Atkinson with Wasatch Properties addressed the Council regarding the proposed project. He explained this is not a project that the City came up with and it was Wasatch Properties who contacted the City about the proposed redevelopment project and their needs in making the project happen. He has talked to Jason Canin about his concerns regarding his property because his home is located inside the zone of increment, until the property owner is willing to sell their land they should be protected by their own personal right. After talking with the home owners in this area, they have made it very clear that they want to remain in their homes. Wasatch Properties told the homeowners they would build around their homes but, they need to move forward with the project. They do not intend on pushing anyone out of their home and the property owner gets to decide what is best for them. Anything in regards to upkeep of the properties will be to the standards that are set by the City. The RDA does not force the homeowners to change their lifestyle in any manner.

Mr. Atkinson continued and said when developers come in and do a project there are certain needs they have regardless of the project itself. He said most of the roads and parks in the City were built by developers on the dime of the developer. Developers pay various impact fees when they do a project and these fees go towards City services such as police, fire and parks. Regarding blight, in his opinion a home that is maintained is sometimes difficult to be determined as blight because that is someone's home and everyone has a different opinion on what is blight. He does not consider any of the homes that Wasatch Properties is not purchasing to be blight and the neighbors have a lot of pride in their homes and property. There are homes that have abandoned and have not

been maintained. There are issues with the roofs and other hazards and there is a difference between maintaining a home versus dilapidation of a home. There are 10-11 homes in the South Main area that have been determined as abandoned and considered blight because of failure of upkeep. He is very proud of the project going in on South Main and offered to meet with anyone who has questions about the proposed project.

Mr. Atkinson continued and said he appreciates the comments made by Mr. Tennant and his support of the project. The last thing that Wasatch Properties wants to do is take money from the budgets of the County, City or the School District. This is purely a way to justify putting a project in this area and allow for a tax increment and tax base for future benefit of each of the three entities (Logan City, Cache County and the School District).

Logan resident Jeff Smith owns property at 429 South Main. His concern with the new project area is that it could increase property taxes.

There were no further comments and Chairman Jensen closed the public hearing.

Logan City Attorney Kymber Housley said that Mr. Smith's comment about property tax is a valid concern. If the project is a success then the property values will go up which means property taxes will also go up. Tax increment going to private hands is also a valid concern and public safety is funded through the collection of property tax into the general fund. The goal is after the 10-15 years we get the benefit of the increased property tax so our goal is to increase the property tax which, helps fund public safety, parks, streets and is a way to increase our tax base by encouraging development.

Mr. Housley said in response to blight there is a legal description that is specifically defined in the Redevelopment Code. However, this is a Community Reinvestment Project Area and does not have a blight finding or eminent domain authority. The homeowners don't have to worry that Logan City or the Agency will come in and take their property. The City can take property to widen a road and they have that authority regardless of the project area being created. If there is enforcement action because a property has been deemed blighted it has nothing to do with the project area and has to do with codes that are in place within the City. If a homeowner is maintaining their property they have nothing to worry about.

Mr. Housley said the reality is we have to compete with other cities who are creating these project areas and are giving incentives. If Logan City is not willing to give incentives then we lose out on the development. We will lose to other cities where the land is cheaper and they don't have to buy existing buildings and tear them down. He read through Section 7 of the Plan and can see why Mr. Canin is concerned that a private developer would have the ability to take property but that is not the case with this development.

Chairman Jensen said he is excited about the potential of redevelopment in this area and commended City staff for moving this forward.

Councilmember Anderson said she is also concerned about Section 7 which reads, "In the event that owners do not wish to participate in the redevelopment in accordance with the

Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency reserves the right pursuant to the provision of the Act to acquire parcels, to encourage other owners to acquire other property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods, and by doing so to encourage or accomplish the desired redevelopment of the Project Area”.

Councilmember Anderson asked if the language can be clarified in Section 7.

Mr. Housley said this is a policy planning document. If the property owners don't want to participate in the redevelopment then we will encourage other owners to acquire development. We won't go in and take property but we will encourage other owners to acquire and develop, our goal is to see it developed to its full potential. He said we should be honest in stating that we are encouraging known developers and developers who will come to us in the future to try and acquire as much property in that area and create new development. Our first preference is for existing owners to develop it themselves but if they are not willing or unable then we will encourage others to develop.

Mayor Daines suggested an amendment to Section 7 adding a line that reads, “Property owners will always have the option not to participate in redevelopment”.

Mr. Housley said he will include the language proposed by Mayor Daines. He also explained that the South Main River Project Area Plan will come back to the Council on October 16 as a Council item and not an RDA item. It will be an action item with no public hearing. Any tax incentive that is granted will go through a public hearing process so there will be other opportunities for public comment in the future. There are currently eight RDA's in the City but five of those will close within a year.

Vice Chair Simmonds commented that homeowners are under no obligation to sell property.

Mr. Housley said that is correct and we have never used eminent domain in any of our RDA's as an Agency or as a City in the last 25 years.

**ACTION. Motion by Vice Chair Simmonds seconded by Councilmember Anderson to amend Resolution 18-46 RDA as presented. Motion carried 4-1 (Olsen abstained).**

**ADJOURNED.** There being no further business to come before the Council, the meeting of the Logan Municipal Council adjourned at 6:50 p.m.

Teresa Harris, City Recorder