

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, July 20, 2010 at 5:30 p.m. in the Logan Municipal Council Chambers, 290 North 100 West, Logan, Utah. Chairman Jay A. Monson conducting.

Council members present: Chairman Jay A. Monson, Vice Chairman Herm Olsen, Holly H. Daines, Dean W. Quayle and Laraine Swenson. Administration present: Mayor Randy Watts, City Attorney Kymber Housley and City Recorder Teresa Harris.

Chairman Monson recognized a scout troop that was in attendance at tonight's meeting.

### **OPENING CEREMONY.**

Parks and Recreation Director Russ Akina offered the opening prayer and led the audience in the pledge of allegiance.

Chairman Monson welcomed those present. There were approximately 4 citizens in the audience at the beginning of the meeting.

**Meeting Minutes.** Minutes of the Council meeting from July 6, 2010 were reviewed and approved with minor corrections.

**Meeting Agenda.** The meeting agenda was approved. Chairman Monson announced at tonight's meeting there would be one public hearing.

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

No questions or comments from the audience.

### **MAYOR/ STAFF REPORTS.**

Street Manager Jed Al-Imari gave an update on the Logan City Chip Seal program. He said that all roads are now completed and the street department is now doing the fog seal coat process that goes over the chips to seal them. The street department will also be working with Utah State University in the Green Meadows subdivision located at 1600 West 600 South working on a storm basin project which will start August 9, 2010. Beginning August 1, they will start work on hazardous sidewalk areas and will also work on patching different areas of City streets. Mr. Al-Imari has a prioritized project list for the year and he will email this list to the council members.

Councilmember Olsen asked about the ninety degree parking on 300 East and 200 North by the Logan Temple. He asked if the property owners in this area have been notified that beginning this winter there will be changes in parking from ninety degree parking to parallel parking.

Public Works Director Mark Nielsen stated that beginning August 1, 2010 there will no longer be angled parking on 200 North. He stated that a letter can be sent to the property owners advising them of the changes.

Councilmember Daines asked about gaps in sidewalks throughout the City and what is the City ordinance regarding sidewalks for properties that don't currently have them.

City Attorney Kymber Housley responded we do require sidewalks to go in now but the problem is retroactive enforcement regarding sidewalks and properties that were previously developed. The City can go in at anytime if the sidewalk is owned by the City and is in the right-of-way. There have been instances when the City and the property owner have paid 50/50 to put in a sidewalk.

## **COUNCIL BUSINESS.**

**Meeting Schedule.** Chairman Monson announced that regular council meetings would be held the first and third Tuesdays of the month at 5:30 p.m. The next regular council meeting is Tuesday, August 3, 2010.

### **Boards and Committees – Chairman Jay Monson.**

Chairman Monson stated that he appreciated the board and committee list that was provided to the Council and he would now like the Council to review this list and make changes as needed. It was also suggested that the board and committee list be reviewed annually.

Councilmember Daines noted that regarding the Parks and Recreation Board that the voting rights need to be changed that the Council does not vote on this board.

## **ACTION ITEM.**

**PUBLIC HEARING - Budget Adjustment FY 2010-11 appropriating: \$361,735 for the 2010 RAPZ grants – 10-42.**

Chairman Monson opened the meeting to a public hearing.

Chairman Monson closed the public hearing.

**ACTION.** Motion by Councilmember Swenson seconded by Councilmember Olsen to approve Res. 10-42 as presented. Motion carried unanimously.

## **WORKSHOP ITEMS.**

**Budget Adjustment FY 2010-11 appropriating: \$1,020 for citation printing; \$15,000 for library furniture; \$1,510,039 for sewer project – 10-43 – Richard Anderson.**

Finance Director Richard Anderson stated that the \$1,020 is being moved from the Justice Court budget to the Police Department budget for citation printing which the police are currently doing. The \$15,000 amount is for furniture for the children's area in the Library. This money is coming from restricted, appropriated library funds, the library board has approved this amount and it is specific to the library for building needs. The amount of \$1,510,039 is for a sewer project and the funds have been collected from impact fees.

This budget adjustment will be an Action Item at the August 3, 2010 Council meeting.

**Impact Fee Presentation – Mark Nielsen.**

Public Works Director Mark Nielsen addressed the Council and gave a presentation on Impact Fees. He said the original study of impact fees was performed in early 2005 and the following impact fees were implemented: Revenue applied to bond on the Justice Building, Fire and Rescue: Fire Station 72, Transportation: Level of Service applied to any capacity increasing project. Also, Drainage: Capital projects for 600 South, 1000 North and 1400 North, Culinary Water: Capital Project for River Park Well, Wastewater: Capital projects for West Regional Pressure Sewer, Recycle Town Gravity Mains and Lift Station, 1000 West Sewer Enlargement, and Aeration Improvements at Lagoons, Municipal Power: Capital Projects for Southwest Substation, Landfill Area Substation, Streetlights, Reconductor/Rebuild 46kV Lines, 46 KV line extension, New 138 KV West Transmission Line, Rebuild/Reconductor OH Distribution Lines, Capacitors for OH Distribution Lines.

Light & Power Distribution Manager Steve Crosby stated that regarding the question of the 138kV line at the new substation and why it hasn't been completed, he responded that at the new substation they have to tap the 138 kV line of Rocky Mountain Power and they are still working with them on the costs involved. This will bring the 138 line into our transformers. The original cost to tap into their line was close to 5 million dollars and is now around 1.2 million.

Councilmember Olsen asked if the 138kV project is still a good idea.

Mr. Crosby responded that to reconstruct 138kV around the City's existing 46 kV transmission line loop is not a good idea, whereas the new theory of a double loop 46kV system is the best option to meet future growth needs at a reasonable cost. Logan City is reconstructing on 600 West from 1000 North to 600 North a double circuit 46kV line that will separate the two loop systems. This is a good solid system and will give the capability to build substation #8 on the South end of Logan and double the capacity at substation #6.

Mr. Nielsen reviewed the five year impact (2005-2010) fee revenue predictions and most departments except municipal power are at 50% of the predicted revenues. The average cost overall was 10% and the City has to come up with the other 90% to complete the project and that is difficult to do. The money generated in year one has to be spent before year seven starts.

Councilmember Swenson feels these amounts would have been different if it weren't for the problems in the economy.

Mr. Nielsen said regarding transportation and level of service, there were no specific projects identified with the transportation impact fee. The impact fee money must be used to increase traffic capacity overtime. The original consultant stated it is generally more defensible with impact fees to have a capital plan based system however, level of service fees provide more flexibility. He recommended in the future that we do as many levels of service impact fees that make sense.

Mr. Housley said the project has to be measurable and service must be maintained.

Mr. Anderson said with transportation it is not measurable because there are so many people outside of Logan using Logan City roads. Impact fees for parks and recreation are easier to measure because of space per population. Whether or not we are maintaining the same level of service on the roads is almost impossible because of all the people that travel on the roads and live outside of Logan City.

Councilmember Swenson said she feels transportation is measurable and we can determine what percent of the cars traveling on the road are from Logan.

Mr. Nielsen said there are factors to consider with impact fees such as compliance issues. Advantages of including revenue needs with the fees for service are flexibility on how the money is used, predictable revenue and no danger of returning the fees if we can't fund a capital improvement project. The amounts need to replace impact fees are the following:

**Fire and EMS** – Property Tax increase of 2.5% (\$38,206 per year).

**Transportation** – Property Tax increase of 6.7% (\$131,504 per year) or an additional ¼ cent sales tax increase.

**Drainage** – Raise Storm water Fee by 12% (\$0.42 per month for residential).

**Culinary Water** – Raise water rates by 5% (1.20 per month for residential).

**Wastewater** – Raise rates by 16% (\$3.55 per month for residential).

**Municipal Power** – Raise rates by 0.78% (\$206,000 per year).

Councilmember Olsen asked if the beneficiary of eliminating impact fees would be the developers.

Mr. Nielsen responded yes, that is correct. The objective of the impact fee is that growth should pay an increased proportion of what it's costing. He said that one of the advantages of the impact fee is that growth pays its fair share of what the impact is to the community. He said that other cities have impact fees and Logan City is lower than many of these cities, we are not the highest. He feels if we didn't have impact fees we would have more developers coming to Logan.

Community Development Director Jay Nielson said if we are trying to accomplish larger community projects such as keeping developments out of the County, remaining compact and being efficient and sustainable, these are accomplished by attracting development in the community.

Mr. Housley said from the joint meeting with the Logan City School District, they talked about doing things to attract more middle class coming to Logan and one of those things is to eliminate or reduce impact fees to encourage people to live in Logan.

Chairman Monson feels the citizens of Logan would be upset if the Council did away with impact fees when all the other cities and towns have impact fees.

Councilmember Daines asked can we differentiate ourselves from other cities to try and bring residents and businesses here to Logan.

Councilmember Swenson feels if we didn't have impact fees that people would still move out of Logan and lower income housing would be encouraged in Logan.

Mr. Jay Nielson said typically the larger communities don't have impact fees so they can attract business. The smaller Cache County communities want growth to occur here in Logan and not in their communities.

Mr. Nielsen said that Ogden City has impact fees and he is not sure about other cities throughout the State of Utah.

Councilmember Olsen said if communities feel this way will they fund the counterpart to impact fees for Logan so we can eliminate them without burdening Logan residents with higher property taxes and encourage densification in Logan rather than the small communities.

Councilmember Daines said from the joint school board meeting it was decided that a committee would be established to look at some of these issues.

Mr. Nielsen again said that the advantages of impact fees are they charge growth related activities for the specific impacts on existing infrastructure systems and City services. It also provides limited funding to help with growth related projects.

The disadvantages of impact fees are the funding is only about 10% of a project's cost. The majority of infrastructure projects will still come from normal City funding mechanisms. The matching funds must be a high priority. Impact fee capital plans must be simple and realistic. Reimbursement of already expended funds for either bonds or project costs reduces the risk significantly. The City never wants to have to pay back the money. Also, impact fees are confusing to developers. It is difficult to understand what infrastructure is included in impact fees unless you spend significant time reviewing the impact fee study. You rarely get the impact fee revenue you expect and impact fees are a disincentive for development. Impact fees are heavily regulated and are increasingly onerous to comply with the law. It is also difficult to modify capital plans with changing needs.

Mr. Nielsen recommended that Logan City retain a consultant to update the 2005 Impact Fee Study and Capital Improvement Plan. The updated study should analyze the following impact fees:

**Fire** – Continue with collecting revenue for Station 72.

**Transportation** – Continue a Level of Service approach for any capacity increasing project.

**Water** – Dewitt Springs Pipeline Debt, River Park Well continuation, Storage Tank Debt.

**Wastewater Collection** – Continue with Recycle Town Gravity Mains and 1000 West Sewer Enlargement.

**Drainage** – Prefer to use rates, but should consider continuing with 1200 North Bypass Project and 1000 North Storm Drain Improvements.

**Municipal Power** – Various Projects.

Also, Mr. Nielsen suggested that Logan should not add a Parks and Recreation impact fee. The primary use of Parks and Recreation impact fees in other cities are for trails however, Logan doesn't have enough trails to make a level of service fee yield enough revenue to make it worth the effort.

Mr. Nielsen said the impact fees that have already been generated will be used to pay for a consultant and the study.

Mr. Housley said it is allowed by law to use impact fees to pay for a study.

Councilmember Swenson said she would like parks and recreation to participate in the study and she asked if there is a specific trail or park that we are planning to build and are there specific projects in the future?

Parks and Recreation Director Russ Akina responded that in his opinion, if Logan City already owns property there is a lot of data that can already be put into a formula for an impact fee. Currently in the parks and recreation capital plan they have items that are already city owned opportunities and are not funded. Also, projects that are identified for particular areas for future growth which is something that would address an area for impact fees but have not acquired the property. For park and trail development the variable that concerns him is working with other private property owners to acquire land for parks and trails. The timeline also concerns him in regards to making this work and it would be a better situation if the City already owned the property.

Councilmember Swenson feels the City could take three or four parks and recreation projects that could be completed in the next few years and make them part of the study. She suggested projects that are already underway such as the Northwest Park.

Mr. Nielsen said the cost for a consultant to do the impact fee study would be approximately \$50,000.

Mr. Housley said this study will be easier because there are already things in place.

Councilmember Olsen said if the funding for the consultant comes out of previously approved impact fees then he would agree to move ahead with a consultant.

The Council said they would like more information and they would also like to include the parks and recreation portion.

Mayor Watts stated that as good as impact fees are they can also be problematic and we need to look at a projects that can be completed. He is not against impact fees.

### **Parks and Recreation Department Capital List – Russ Akina.**

Parks & Recreation Director Russ Akina reviewed a list of the parks and recreation department's general fund capital projects. He said this is a project list of things he would like to accomplish in the future. These are general fund projects and do not reflect the capital needs of the divisions.

Councilmember Swenson said the Canyon Road Trail has a lot of interest and slope stabilization would have to be completed quickly for the trail to be used.

Councilmember Daines asked has any funding been designated for the Canyon Road Trail. She would like to have a plan for this area so what we do now can tie into what we do in the future.

Mr. Akina responded that what has stopped the process of working on the trails is the need to look at cross sections but the exiting surface needs to be dealt with first.

Mr. Housley said that because of current litigation with the Canyon Road landslide, the City will need to be careful of what we do at this point on the hillside. Soil testing needs to be done, stabilization and then cleaning up the area.

### **OTHER CONSIDERATIONS.**

Chairman Monson asked Mr. Housley about the special events ordinance that was recently adopted in the County and what does this mean for Logan City.

Mr. Housley responded these are events that cross multiple jurisdictions including the County. It will not have an impact on Logan City but rather on those who coordinate larger events.

Chairman Monson also asked about the City Justice Court system.

Mr. Housley responded there are several other justice courts throughout the County. There is not one County Justice Court. Logan City only handles cases in Logan City. There is a proposal to consolidate the County Justice Courts and have one county justice court that municipalities can contract with to participate. Currently this does not affect Logan City.

Councilmember Daines asked about the status of Fire Station 72.

Chief Kyle Lindsay responded the initial estimate to build the station was \$589,000 and the current estimate is now closer to \$721,000 or even as high as \$850,000. This is an architect's estimate.

Mayor Watts said the previous bid of \$589,000 was from a contractor and not from an architect. At this time we are on hold to move ahead with building Station 72 because of the costs involved.

Mr. Anderson said Station 72 is an example of impact fees that have been collected for a new fire station and next year is the sixth year when the money needs to be spent. The question now is what do we do with these impact fees and this is the kind of scenario that we need to be careful of when implementing impact fees. He said we would not need to do a bond for the station. We also need to consider the operational expenses of a new fire station such as staffing and equipment. We could purchase the land for the station with the impact fees.

Councilmember Swenson asked if the fire station will be to LEED standards.

Mayor Watts said the proposed new Station 72 will not need the LEED standard because it will be under the 10,000 square foot requirement for a LEED building.

**RECESS TO MEETING OF LOGAN REDEVELOPEMNT AGENCY.**

**WORKSHOP ITEM.**

**A. Consideration of a proposed resolution approving agency assistance to Sky Properties, Inc. for its redevelopment project in the South Main Redevelopment Area – 10-44 RDA – Kirk Jensen.**

Economic Development Director Kirk Jensen said that in 2008 Sky Properties contacted the City regarding a façade improvement of the current Sears Building at the “Y” intersection in Logan on Highway 89/91. Then in May 2009 Sky Properties came back to the economic development committee with this same request and to move forward with the improvements and requested \$100,000 from the RDA. At this time, the economic development committee is requesting the amount be given to Sky Properties. This project will also tie into the Wal-Mart property and their landscaping. Part of the justification to ask for this assistance is the Sky Property owners have also been involved with several other improvement projects in the Southwest area. There are currently 31 businesses that are involved in this area and it has generated tax increment for the RDA area.

Councilmember Daines asked do the architect’s plans match the design of the other buildings in the area.

Mr. Nielson said the building design will have to go through the planning commission design review process with landscaping and façade proposals and it will need to match the other buildings in the area.

Mr. Jensen said that Wells Fargo is not interested in improving any part of their area at this time.

This will be an Action Item at the August 3, 2010 meeting.

There being no further business to come before the Council, meeting adjourned at 7:10 p.m.

**ADJOURN.**

Teresa Harris, City Recorder