

Minutes of the meeting of the Logan Municipal Council convened in regular session on Tuesday, April 19, 2016 at 5:30 p.m. in the Logan City Municipal Council Chamber, 290 North 100 West, Logan, Utah. Chairman Herm Olsen conducting.

Councilmembers present at the beginning of the meeting: Chairman Herm Olsen, Vice Chairman Holly Daines, Councilmember Tom Jensen, Councilmember Jeannie F. Simmonds and Councilmember S. Eugene Needham. Administration present: Mayor H. Craig Petersen, Treasurer Tyson Griffin, City Attorney Kymber Housley and City Recorder Teresa Harris. Excused: Finance Director Richard Anderson.

Chairman Olsen welcomed those present. There were approximately 32 citizens in the audience at the beginning of the meeting.

OPENING CEREMONY:

Gene Needham IV gave the opening thought, prayer and led the audience in the pledge of allegiance.

Meeting Minutes. Minutes of the Council meeting from April 5, 2016 were reviewed and approved.

ACTION. Motion by Councilmember Jensen seconded by Vice Chairman Daines to approve the April 5, 2016 minutes and approve tonight's agenda. Motion carried unanimously.

Meeting Agenda. Chairman Olsen announced there would be five public hearings at tonight's Council meeting.

Meeting Schedule. Chairman Olsen 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, May 3, 2016.

Chairman Olsen suggested that the July 5, 2016 Council Meeting be cancelled due to the proximity to the 4th of July holiday.

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to cancel the July 5, 2016 Council meeting. Motion carried unanimously.

QUESTIONS AND COMMENTS FOR MAYOR AND COUNCIL:

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

MAYOR/STAFF REPORTS:

Updates on Projects/Issues – Mayor Petersen

Mayor Petersen addressed the Council and gave the following updates.

1. Current Construction Projects – Crack-sealing of roads are taking place throughout the City.
2. The Library Centennial Celebration was held on Monday, April 18, 2016.
3. The recommendation for the Hydro III Project is the following:

<u>Task</u>	<u>Estimate</u>	
Dam Rehabilitation	\$9,450,000	Complete
Low Head Hydro	\$1,200,000	Eliminate
Provide Flow Channel For Fish Habitat	\$100,000	Complete
Sediment Removal	\$3,600,000	Postpone
Rehabilitation of Generators	\$2,950,000	Postpone
Replace Turbine Runners, Wicket Gates, and Servomotors (waterside repairs)	\$710,000	Complete

4. Additional Wayfinding Signs are in place in the Downtown and South entrance to the City.
5. Masonry work has started on the Cemetery entrance. The project is anticipated to be completed by Memorial Day and is funded by contributions.
6. Decorative lights have been installed on East Center Street. Work is in progress for the lights on 100 North.
7. Zoning of City Block to Town Center was approved by the Planning Commission and will now come to the Council.

Logan High School Clean Air Poster Contest 2015-2016 – Logan High School Students

Mayor Petersen introduced students from Logan High School who participated in the Clean Air Poster Contest.

Logan High School Student Victoria Stafford addressed the Council and gave a power point presentation regarding the 2015-2016 Clean Air Poster Contest.

Logan High School Student Yara Ghabayen, winner of the Clean Air Poster Contest addressed the Council and expressed her thanks and also the importance of being aware of air quality issues. Ms. Ghabayen was awarded a \$100 cash prize from the City of Logan.

COUNCIL BUSINESS:

**Council Budget Workshop Scheduled – May 3, May 10, and May 17, 2016
beginning at 5:30 p.m. in the Logan Municipal Council Chambers**

ACTION ITEMS:

PUBLIC HEARING - Consideration of a proposed resolution to initiate the Creation of the Cache Water District – Resolution 16-15

At the April 5, 2016 Council meeting, Cache County Water Manager Bob Fotheringham addressed the Council regarding the proposed resolution. The service proposed to be provided by the Cache Water District is the operation of a system, or one or more components of a system, for the collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of water, including storm, flood, irrigation, and culinary water.

The creation of the Cache Water District in Cache County will allow for the full implementation of the Cache County Water Master Plan prepared by J-U-B Engineering, dated August 2013 and will allow the District to plan and manage a system that protects and conserves the County's long-term agricultural, environmental, and municipal water interests with an emphasis on securing its Bear River allocation entitlements.

The group has met five times this year and has reached consensus on a number of important decisions, including:

- The board of directors must be compromised of ten elected members and one appointed agriculture member.
- The board of directors shall equitably represent specific geographic areas of the County.
- The proposed district should be created democratically with each city signing a resolution to allow the people to vote on it in November, 2016

Each municipality, each political subdivision within Cache County will have to pass a resolution, a public hearing within 45 days of the passing of the resolution and if there are those who oppose the district, they have a 60 day period and if unsuccessful to protest the district then it would go on the November, 2016 ballot.

Chairman Olsen opened the meeting to a public hearing.

Logan resident Bill Bower addressed the Council and feels that the Weber and Jordan Water District are after the water in Cache Valley. He feels this happens all over the Country and he is very concerned.

Logan resident Joe Tennant addressed the Council and stated he is in favor of the Cache Water District and feels it is essential that we have a district in place.

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

City Attorney Kymber Housley addressed the Council and said holding this public hearing if they want a district, starts the process to ultimately have this issue go on a ballot and let the citizens decide. If the Council approves the resolution tonight we have

to hold a public hearing within 45 days and in that 45 days we have to publish a notice for four consecutive weeks. The intent is to do a joint notice with Cache County.

Councilmember Simmonds asked for clarification that if the Council votes to allow a public hearing to be held, they are not stating that the Council approves of the Water Conservancy District.

Mr. Housley responded that is correct, the resolution states that the Council agrees to initiate the process for the creation of a Water Conservancy District. The first step is to hold public hearing and after that public hearing there is a 60 day protest period. Then, if there are not sufficient protests it goes to the public for a vote. The protest is only based Logan's municipality and if there are sufficient protests to stop it then it prohibits that particular municipality from being part of the district and participating in the election. However, once it goes to election it's based on the majority of the entire district. There will be written public notices for the public hearings and he recommended doing a joint notice with Cache County. The City can use tax dollars to educate people on the district but tax dollars cannot be used to promote the district.

Mr. Fotheringham said the Langdon Group presented information of who did and did not have a Conservancy District. There are four counties in Utah, one of which is Cache County that does not have a Conservancy District.

Mr. Housley asked if there are three council members who can attend a meeting on May 24, 2016 and is there a preference to hold a separate meeting or a joint meeting with the County. He impressed upon the Council that once a meeting date has been scheduled, it is very important that at least three Logan council members are in attendance to form a quorum.

After a discussion, it was decided that all councilmember's should plan on attending the joint meeting with the County on May 24, 2016 with a location yet to be determined.

ACTION. Motion by Vice Chairman Daines seconded by Councilmember Jensen to approve Resolution 16-15 as presented. Motion carried unanimously.

ACTION. Motion by Councilmember Simmonds seconded by Councilmember Needham to hold a joint meeting with Cache County on May 24, 2016 for the purpose of a public hearing regarding the Cache Water District as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed resolution to give written consent that the State Alcoholic Beverage Control Commission grant a variance to the Community Location Proximity Requirements for Even Stevens Restaurant, LLC, located at 131 North Main Street – Resolution 16-18

At the April 5, 2016 Council meeting, Michael McHenry, Chief Operation Officer of Even Stevens addressed the Council regarding the proposed variance. Even Stevens Restaurant located at 131 North Main Street is requesting a Limited-Service Restaurant Liquor license for purposes of alcohol sales and is located beyond 200 feet straight line

measurement but less than 600 feet of the Logan Tabernacle property boundary, a community location.

The policy established by Utah Code Section 32B-1-202 that places proximity restrictions on retail licensees for purposes of alcohol sales in relation to the Logan Tabernacle, should not apply because the negative impacts the state statute are meant to prevent are not present in this case.

Even Stevens has requested that the City of Logan give written consent that the State Alcoholic Beverage Control Commission grant a variance to the community location proximity requirements.

Chairman Olsen opened the meeting to a public hearing.

Aislinn Grenny, Controller with Even Stevens addressed the Council regarding the proposed variance request. She stated that alcohol is a very small part of their restaurant service and they are requesting local consent from the Council at this time.

Logan Downtown Manager Gary Saxton addressed the Council and said as a citizen of Logan he asked the Council to approve local consent for Even Stevens to serve alcohol at their location. He said they are a wonderful business to have in the downtown.

Logan business owner Mark Fjeldsted addressed the Council in support of Even Stevens and requested the Council approve the alcohol variance. He does not have a problem with Even Stevens serving alcohol at their location.

Logan resident Derek Sudweeks addressed the Council. He is a nurse at Logan Regional Hospital and voiced his opposition regarding the alcohol variance. He morally objects to the consumption of alcohol, he feels alcohol causes health diseases and disorders and allowing alcohol is heading in the wrong direction. He wants to keep Logan family oriented and allowing alcohol is not the way to go. He also believes that with the proposal to move the Library downtown we do not want a location that serves alcohol in the same area where families will be as they visit the Library. He feels we should hold to the values of our community.

Shanna Thompson addressed the Council. She believes we should be a welcoming community of different faiths and cultural backgrounds. She asked if we make an exception to allow this variance where do you draw the line when others request a variance in the future. She said if there is a rule to begin with then it should stay in place. She asked the Council to uphold the variance on the basis of holding the line and not allow alcohol.

Councilmember Simmonds said she feels it's important for the public to know why the variance is being requested. Her understanding is that the proximity is a matter of feet.

Aislinn Grenny, Controller with Even Stevens responded and stated the reason for the variance is the State of Utah and the Utah State Alcoholic Beverage Control Commission requires that a business is 200 feet in a straight line measurement but less than 600 feet

within a pedestrian walkway from the business property line to the property line of a church, school or community establishment. The property line of the Tabernacle from Even Stevens back door on Main Street is 405 feet, Even Stevens is 195 feet under the variance and that is the reason for the requested variance. Granting this variance will allow Even Stevens to move forward with their request to the Alcoholic Beverage Control Commission.

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

Vice Chairman Daines said that we have a lot of diversity in our community and there are some who would like to order a drink with their meal which is required. She personally supports granting the variance and then see how things go with Even Stevens and their request to the State of acquiring their license.

Councilmember Needham said he is opposed to the variance and feels this is the wrong direction for the community and for downtown Logan. He doesn't feel we should support public drinking and he does want "modern saloons" to come back to the downtown area. He does not feel that Even Stevens needs to serve alcohol for them to be successful.

Vice Chairman Daines said we have grocery and convenience stores near the downtown area that also sell alcohol. The purchase of alcohol is a personal choice.

Councilmember Jensen said he respects what Councilmember Needham has said but he said when these rules were established things were different and it was a bar near a church or a school. He can understand the reason for wanting to have distance so that someone isn't staggering out of a bar near a school or church. He feels this situation is vastly different and he doesn't feel the rules are applicable to this situation. He agrees with Vice Chairman Daines in the fact that alcohol is vastly available at local stores and he does not feel having an alcoholic drink with a sandwich is a threat in that situation.

ACTION. Motion by Vice Chairman Daines seconded by Councilmember Simmonds to approve Resolution 16-18 as presented. Motion carried 4-1 (Needham voted nay).

PUBLIC HEARING - Budget adjustment FY 2015-2016 appropriating: \$2,000,000 from the Library Reserves and General Capital Reserves (general property sales) for the purchase of property for a new Library building – Resolution 16-16

At the April 5, 2016 Council meeting, Finance Director Richard Anderson addressed the Council regarding the proposed budget adjustment. He stated the \$1 million from the Library will reduce their reserves to approximately \$420,000 which is very close to what we have established as their reserve requirement. We will use approximately \$275,000 of restricted monies that are within the Library Trust and that money is set aside for a future Library and is an appropriate use. The other \$1 million comes from the sale of various properties that Mayor Petersen has been involved in over the last two years which is \$875,000 plus other funding from Capital in order to reach the \$2 million amount needed.

Mayor Petersen read the following prepared statement.

Logan City has an option to buy the Plaza 45, Emporium, and Poco Loco buildings. Terms of the agreement specify that the transaction must be completed by May 8, 2016. Tonight, the Council is being requested to allocate the funds for the purchase.

When the purchase proposal was made public at the April 5th Council Meeting, the announced intent was that the City would demolish the existing Emporium Building and use the site to build a new library/community center. Although I still believe that is a sound proposal, since that time another viable site for a library/community center has become available. At this point, there should be a careful evaluation of the pros and cons of the two sites before a final decision is made.

I request that the Council still approve the Emporium purchase, but with a broader intent as to how the property might be used. As I mentioned two weeks ago, the Emporium location is a key component for a thriving downtown. But the existing building which was extensively remodeled in 1975, with its many small rooms on the main floor and basement has never allowed the facility to be commercially viable. Since the Coppermill Restaurant closed in December, 2014, foot traffic through the building has been almost non-existent. There is no reason to believe that the Emporium, with its present configuration, will make a contribution to the downtown business that is sufficient to justify the space that it occupies.

There have been those who suggest that a “big box” national retailer (the GAP is often mentioned) should take over the space. This is probably wishful thinking based on how such chains make their location decisions. Even if such a business were to come, it would certainly demolish the present Emporium and start over with new construction.

One approach is to wait for the unassisted private sector to rejuvenate this space. But 40 years of history in the Emporium casts doubt on that happening in the near future. How long should we persist with a dead spot in the core of downtown Logan? I believe that a better option is for the City to purchase the property and either use it for a library or, if another location is determined preferable for a library, to aggressively work with and incentivize private parties to develop the space for commercial activity.

Mayor Petersen said he still recommends that the \$2,000,000 be used for the purchase of the Emporium property but not firmly determine that this be the future site of the Library. If the site is not used for a Library then the Library reserves would be immediately paid back.

Chairman Olsen opened the meeting to a public hearing.

Logan Downtown Manager Gary Saxton addressed the Council and said he is speaking on behalf of the Logan Downtown Alliance and the board has discussed this proposal. He said the first vote they took was to support the proposal to use funds to purchase the Emporium building, demolish and to create a new space for a Library. The second vote was in regards to that space and what it should look like. The board feels we have an opportunity in our lifetime to do something really special with this piece of property in

the heart of downtown. The board feels that whatever is created should be an architectural gem, it should be something that can last and have a 100-200 year life span. It could not only be a Library but an art gallery, meeting and reception space, concert and performance area and a Library that would be open to the community to enjoy. The second vote of the board had a motion that the space not only be for a Library but also an economic center of activity. He said this was a unanimous vote. They want more than a Library and a space that has multiple uses such as shops, etc.

Mr. Saxton said the business owners know there are other suitable locations for the Library and the Emporium was not their first choice. He said regardless of where the Library goes, the Downtown Alliance Board wants the Emporium space to be an economic center of vitality, but they do like the idea of a Library in the downtown area which they consider being 300 South to 500 North. The vote was taken with the board members and not the entire Downtown Alliance membership.

Logan resident Bill Bower addressed the Council regarding the Library. He is in favor of a new Library building and not another refurbishment of the current Library. He urged the Council to look at the best location and also suggested there be adequate parking.

Logan resident Shanna Thompson said she loves libraries and has been a patron of the Manhattan and Salt Lake Library. She feels we have a great opportunity and a vision for the City such as Brigham Young did. She envisions a building on the corner where the current V-1 gas station is located now. She also envisions an area, similar to City Creek along 100 West to 400 North and instead of looking at blighted parking lots you can see businesses there and open up the middle of the block for parking or even underground parking. She feels Logan should be a destination City and we are losing dollars out of Logan. She feels the Library should remain in the block where it is now and stay close to the other government buildings and then open the other blocks to create a flow and make Logan a destination.

Logan resident and Library Board Member Robert Schmidt addressed the Council. He supports the potential location of a new Library in the downtown and feels it will be an enhancement to the downtown. He said Logan is in need of a modern, safe and ADA compliant Library. He also sees the opportunity to bring new business to the current location of the Library.

Logan resident Joe Tenant addressed the Council and said his concern is there have been discussions about a potential new recreation center being built and other projects and he would like to see that everyone in Logan be approached and be able to fund these projects through a tax increase instead of requesting donations. He would rather have all Logan citizens responsible for a government project rather than just a few.

There were no further comments and Chairman Olsen closed the public hearing. Vice Chairman Daines said she feels we should move forward with the property purchase and she appreciates Mayor Petersen's remarks and the comment that we need to carefully consider all of the options. If we move ahead with this project it is a big ticket item and it could have a great deal of impact on our community. We also need to remember that it is funded by the taxpayers and she feels if we go ahead and purchase the property it is the

first step and we should then solicit public input from the taxpayers/citizens so we know this is a project that the community supports. She is in favor of purchasing the property and if our best studies and efforts show that something different should go in the Emporium space then we at least have that option, we can pay back the Library fund and go another direction.

Councilmember Simmonds concurred with the comments made by Vice Chairman Daines and feels we need to do our due diligence in respect to this property. She is heartily in favor of a new Library and just wants to make sure that we place the Library in the correct location for today, tomorrow and for future generations. She is in favor of purchasing the Emporium property because it gives us one option and she is also in favor of pursing other options and seeing which works best for the community.

Councilmember Jensen said he has been very positive about a new Library and he likes the potential location but he is also aware that a good discussion should be held and make sure that everyone is on board. He is not sure that we've had an in depth exploration of the options. He said you can design a great Library in a lot of places but it has to be in the downtown. He feels a Library is a generator of traffic and also says something that we believe in our community to put our Library in the downtown.

Councilmember Needham commented that he has been looking at the Emporium location on the standpoint of parking. He feels people forget the times when we have been desperate for parking in the downtown. His preference is to refurbish the current Library and he does not understand why the Mayor and Council will not consider doing this instead. He feels the Emporium building is the wrong place for the Library and we should look at doing more retail in the downtown instead.

Chairman Olsen referenced an email from Deandra Harps which talked about the issue of parking behind the Emporium and her concern that the Emporium is not the right location for a Library. Chairman Olsen said he wants to be very supportive of a Library and needs to be convinced that the current Library really isn't functional as a building or that we could make a higher and better use of that space through commercial development. He feels we are making progress by approving this resolution which gives us multiple options. He feels the Council should do their due diligence to confirm that the existing Library is or is not appropriate for a remodel and that a new Library needs to be built.

Vice Chairman Daines said part of the process will be coming up with hard numbers and making those available to the public.

Councilmember Simmonds said it seems to her that the Council wants to further discuss this issue and keep more options open. She asked, there something the Council can do to instigate that process.

Mr. Housley said that property acquisition is a Mayor function and property appropriation is a Council function.

Councilmember Simmonds said what she doesn't want is to not create a pathway for a broader discussion.

Mr. Housley said the Council cannot negotiate property purchases and anything like that the Council would have to work through the Mayor.

Vice Chairman Daines suggested that we hire a consultant to carefully evaluate, plan and budget for a new Library and to take time to review this over the course of a year. This would also include a needs assessment. We can also phase this so we just pay for the study and we also need data and input from the Library staff.

Councilmember Simmonds added that we can also include this in a Request for Proposal as part of the design process.

Mayor Petersen said he met with an architect who mentioned a needs assessment and the architect explained that the needs assessment can be the function of an architect. They solicit public input and talk with Library staff. The architect could be employed to start the process from the beginning to the day we open the new Library doors or it could be phased so the architect does just certain parts of the process.

Councilmember Jensen said we can go out for an open selection of professionals and set criteria. The first part could be a feasibility study and ask, how will this work and what will it cost. If we don't like how things are going or if we want to change course then we can terminate the contract. As part of the team, they can also hire an economist and a market study be done. When he was with Architectural Nexus they did a study for Logan City and they reached out to the community. The study was ready for a bond election and then the City chose not to do it. As a follow-up to that study, an estimate was done of remodeling the existing Logan Library with a cost of 7-10 million dollars to patch up a building that has been around for 120 years or so. He said the building was never designed as a Library in its entirety. It was designed as a Library for half of the building which is 20,000 square feet. You would have to shut the building down to do any remodeling which would mean moving everything out and moving everything back in. To remodel you would have to gut it and restructure everything because it's designed for small spaces and it does not work. It was designed as four separate buildings and Sears & Roebuck put it together to make a store and then we remodeled it for a Library and City Hall building.

Councilmember Needham said he talked with Gary Stevenson who was responsible for the construction of the John Huntsman building and he managed the reconstruction of the current Library. Mr. Stevenson is rather astonished that we would not consider remodeling and continue to use the current Library. New trusses were placed in the building and there is some weakness in the floor but he feels the building can be salvaged and Councilmember Needham says he agrees and feels strongly it can be remodeled. He is really jaded about the idea of hiring a consultant and doing another study, paying for it and then it sits and nothing is ever done. He feels we can do it ourselves with the help of the Library Board, Council, Mayor and staff.

Chairman Olsen added that approving this resolution does not preclude the issues that Councilmember Needham raises and it encourages the review and the beginning of a discussion regarding an additional Library site.

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to approve Resolution 16-16 as presented. Motion carried unanimously.

Councilmember Simmonds said we have the desire to build a new Library. Is there a Request for Proposal (RFP) process that can move us forward and closer to a decision on location, size and expense.

Mr. Housley responded yes, that is the process we will have to use when we get to the point that we are ready to make a decision. The RFP is the acquisition process and those are things the Mayor and Council will need to decide. Staff will prepare the RFP.

Mayor Petersen said the RFP is an administrative function but he made a commitment to the Council that they will be fully involved and included in the process in terms of the content, responses, and evaluation of the responses regarding the RFP.

PUBLIC HEARING - Budget Adjustment FY 2015-2016 appropriating: \$13,200 funds the Library received from the State of Utah. The Community Library Enhancement (CLEF) grant will be used for technology that directly affects the public, collection development and community outreach; \$12,976 from Cache County for reimbursement of snow removal services at the airport; \$900,000 to account for bond issuance costs for the \$70 million Sewer Treatment Bonds – Resolution 16-17

At the April 5, 2016 Council meeting, Mr. Anderson addressed the Council regarding the proposed budget adjustments.

Chairman Olsen opened the meeting to a public hearing.

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

ACTION. Motion by Councilmember Simmonds seconded by Vice Chairman Daines to approve Resolution 16-17 as presented. Motion carried unanimously.

PUBLIC HEARING - Consideration of a proposed ordinance vacating a Utility Easement between parcels 05-117-0001, 05-117-0002, 05-117-0003, 05-117-0004, 05-117-0011, 05-117-0012 and 05-117-0013 in the Midtown Meadows Subdivision – Ordinance 16-12

At the April 5, 2016 Council meeting, Public Works Director Mark Nielsen addressed the Council regarding the proposed utility easement. The City of Logan is requesting to vacate a portion of a public right of way and to vacate and reestablish public utility easements located on 400 East Street between 1000 North Street and approximately 1085 North 400 East. These are internal parcel line changes in the Midtown Meadows Subdivision (Craig Champlin) that are very minimal but necessitates the vacation of a utility easement.

Chairman Olsen opened the meeting to a public hearing.

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

ACTION. Motion by Vice Chairman Daines seconded by Councilmember Jensen to adopt Ordinance 16-12 as presented. Motion carried unanimously.

WORKSHOP ITEMS:

Consideration of a proposed resolution adopting the Community Development Block Grant (CDBG) Annual Action Plan, Program Year 2016, for the City of Logan – Resolution 16-14 - Aaron Smith, CDBG Coordinator

CDBG Coordinator Aaron Smith addressed the Council and reviewed the Annual Action Plan.

He stated the City is required to develop an Annual Action Plan each year for submission for approval to the U.S. Department of Housing and Urban Development (HUD), which plans delineate funding allocations to CDBG sub recipients and strategic priorities and a community needs assessment. It is estimated that the City has \$448,808 to allocate from HUD for PY2016.

The City has complied with the applicable requirements approved by HUD and outlined in the City's Five-Year Consolidated Plan, which requires that:

- A steering committee is formed to meet and review each eligible application for funding and to come to a unanimous consensus for a recommendation; which recommendation includes funding allocations and funding conditions; and which is submitted for approval to the collective City Council; and
- Specified public hearings are held, notices are published, and both the Consolidated Plan and Annual Action Plan under consideration are made available for public review and comment in accordance with the Citizen Participation Plan.

Application Period

The City of Logan held an application period from February 5, 2016, to March 4, 2016. During the application period, two application workshops were offered to provide potential applicants with an opportunity to learn about application requirements.

City Departments and nonprofits serving low/moderate income residents were invited to make application.

CDBG Program Year 2016 Funding Recommendation

The CDBG Steering Committee met on March 17, 2016, and made the following funding recommendation:

Activity	Funding Amount
400 N 300E/500 E Medians and Crossings	\$180,000
200 W 1600 N Sidewalk	\$73,000
400 E Center Sidewalk	\$48,000
Family and Information Center Building Addition	\$19,000
Whittier Center Window Replacement	\$20,000
Common Ground Facility Roof	\$14,047
Bridgerland Literacy Program Expansion	\$5,000
Program Administration	\$67,321
Woodruff Neighborhood Plan	\$5,000
Access and Mobility Plan	\$5,000
Program Planning	\$12,440
Total Funding	\$448,808

It is recommended that any PY2016 funds awarded by HUD in excess of the estimate or any funds recaptured from any other CDBG activity from any program year will be automatically reallocated to the 400 N 300 E/500 E Medians and Crossings activity up the total activity budget.

Public Review and Comment Period

A public review and comment period regarding the proposed PY2016 Annual Action Plan runs from April 4, 2016 to May 3, 2016, and is scheduled to end at the conclusion of the public hearing scheduled for May 3, 2016.

Public Hearing

A public hearing is scheduled for May 3, 2016, for the purpose of receiving public input by Logan residents regarding the proposed plan. The hearing takes place as part of the regularly scheduled City Council meeting, which begins at 5:30pm. Special accommodations are offered for those that request and need them.

The proposed resolution will be an action item and public hearing at the May 3, 2016, 2016 Council meeting.

Consideration of a proposed resolution approving the budget for the 2016 Freedom Fire Event – Resolution 16-19 – Russ Akina, Parks & Recreation Director

Parks & Recreation Director Russ Akina addressed the Council regarding the proposed budget for the 2016 Freedom Fire event.

Mr. Akina stated the Logan Parks and Recreation Department is preparing to produce the Freedom Fire annual patriotic community event for Friday, July 1, 2016, at Utah State University Maverik Stadium to commemorate our nation's independence. The event known as Freedom Fire is composed of live professional entertainment, aerial fireworks, sound and lighting, and promotion of the event that involves marketing, advertising, and the development of sponsorships, grants, and ticket sales to help offset event expenditures.

The proposed 2016 Freedom Fire Budget is the following:

**2016 Freedom Fire Proposed Budget
Parks and Recreation Department**

<u>Revenue:</u>	<u>2015 Actual</u>	<u>2016 Proposed Budget</u>
Ticket Sales	46,030	48,000
RAPZ	30,000	40,000
Sponsorships	36,000	42,000
Donations	50	500
RAPZ Pop. Split	<u>46,859</u>	<u>46,360</u>
Projected Revenue:	158,939	176,860

<u>Expenses:</u>		
Production Expenses	18,000	18,000
Entertainment	19,200	30,160
Advertising	8,168	4,000
Event Insurance	11,484	11,500
USU Facilities Fee	11,295	11,500
Portable Toilets	643	700
Staging, Lighting, Sound	25,400	35,000
Fireworks	60,000	60,000
Ticket Printing	1,366	400
Master of Ceremonies	200	200
Stage Handling, Camera Live Video	2,000	3,000
Sales Tax Expense	0	2,400
Miscellaneous Expense	<u>1,183</u>	<u>0</u>
Total Expenses:	158,939	176,860

He said there are some anticipated changes in regards to expenses this year. One of them being staging, lighting and sound. Last year the expenses were \$25,400 and this year they will be \$35,000. Bids will go out for these services. He will know in May if we will receive the additional \$10,000 RAPZ grant.

Vice Chairman Daines asked for details on the \$18,000 listed under production expenses.

Mr. Akina responded the \$18,000 is for two contracts. One contract is for the producer of the show in the amount of \$12,000 who handles the development of the show and the sponsorship for the revenue side of the event. The other contract is \$6,000 and goes to the technical director who handles all of the direction of coordinating with whomever we contract with for staging, lighting and sound.

Councilmember Daines said she understands the need for a technical director but asked can the duties of the producer of the show be handled in-house by department staff.

Mr. Akina responded that staff cannot do any of the producer duties of the show. A key responsibility of the producer is the relationship they have with the corporate sponsors. The sponsorships received are critical in order to make the show work. His department can assist but they are not in a position at this point and time to do this in-house.

Vice Chairman Daines pointed out there is a budget of \$42,000 in sponsorships but we are paying \$12,000 for the producer.

Councilmember Jensen asked about the increase in entertainment from \$19,200 to \$30,160 for this year's show.

Mr. Akina responded what they found from last year's event is that people really liked the laser show and they want to add more lasers to this year's show.

Vice Chairman Daines asked will people stay for the laser show after the fireworks which end at 10:30 p.m.

Mr. Akina responded there will be two laser shows, once before the fireworks and a post concert and laser show after the firework which is critical to help with traffic flow outside of the stadium.

Councilmember Simmonds asked about the July 1 date and why we are having it so soon this year.

Mr. Akina responded this year, July 4 falls on a Monday, we did not want to have fireworks on a Sunday and typically the fireworks are held before July 4. In talking with the sponsors we can get a better rate and accessibility to the contractor because we are not on the same night as everyone else. We also don't want to have the fireworks the same night as the Cruise-In parade which is typically held on Saturday. He thanked the police, fire and public works department for their assistance with this event. He said there are potentially some new sponsors that might also come onboard and will be announced at a later time.

The proposed resolution will be an action item and public hearing at the May 3, 2016, 2016 Council meeting.

Consideration of a proposed resolution approving an increase in Rental Fees for the Tournament Room at the Logan River Golf Course – Resolution 16-20 – Russ Akina

Parks & Recreation Director Russ Akina addressed the Council regarding the proposed resolution for Tournament Room Rental Fees.

Mr. Akina stated the Logan River Golf Course is owned and operated by the City of Logan and maintained by the Parks and Recreation Department. The Logan River Golf Course which is managed by the Parks and Recreation Department offers the public limited use of the Tournament Room for a fee. The Tournament Room fee is for the purpose of offsetting costs associated with use of the room, monitoring, cleaning and routine maintenance, management of reservations, and a catering fee for reservations that choose to not use the Logan River Golf Course concessionaire services.

Mr. Akina proposed the following fee increases:

Current		Proposed	
1-3 hours	\$250	1-3 hours	\$350
3-5 hours	\$500	3-5 hours	\$600
Full Day	\$600	Full Day	\$700
		Per event	\$100 for outside catering

Vice Chairman Daines suggested there not be a charge for people to use the patio.

Mr. Akina responded the problem is there are sometimes multiple groups at the Golf Course and if there is a group using the Tournament Room and they don't use the patio, another group might ask to use it and that is the reason for the separate charge.

The proposed resolution will be an action item and public hearing at the May 3, 2016, 2016 Council meeting.

Consideration of a proposed resolution for the approval of IPP Renewal Offer Documents – Resolution 16-21 – Mark Montgomery, Light & Power Director

Consideration of a proposed resolution for the approval of IPP Sale of Renewal Excess Power – Resolution 16-22 – Mark Montgomery

Light & Power Director Mark Montgomery addressed the Council and introduced Dan Eldredge, General Manager of the Intermountain Power Agency (IPA) that manages the Intermountain Power Project (IPP) who spoke to the proposed resolution.

Mr. Eldredge thanked the Council for giving him the opportunity to speak tonight. He said Logan has played a very important in the IPA with former Mayor's Newell Daines and Russ Fjeldsted serving on the IPA Board. The IPA came to the Council three years ago asking for a solution to a problem of the IPP trying to extend their contract beyond 2027 when the contract that Logan participates in will expire. At that time, Logan along with 35 others participated in the project and that resulted in the amended power sales contract. He is here tonight to present an opportunity to the Council. He said Logan City has a contract with the IPP to take the capacity of the project which is the generation station currently configured in coal. We have 1,800 megawatts in generation of coal and also transmission facilities and Logan has an entitlement in the capacity of that project which is just under 2.5% of the project. That translates roughly into 45 megawatts of power. It also gives Logan the opportunity to have capacity on the transmission station to get it from Delta where the generation station is located to Mona where it can be delivered into the Pacificorp system and ultimately come to Logan City.

Logan City has also been favored to have a contract with California participants to buy what Logan does not use. Logan can put that capacity entitlement back to the Californians and by doing this also put back the financial obligation and responsibility and have the opportunity to recall that energy when needed.

Mr. Eldredge continued by saying there are challenges to coal production and not just from the California purchasers but also generally. One of the most challenging things is the economics with the price of natural gas being where it is and it is much more economic to generate power with natural gas than coal. What the IPA would like Logan to participate in is to move forward 50 years beyond 2027 to 2077 and to do that the IPA needs to reconfigure/reconstruct the generation profile at the plant. The second amended sales contract provided for a repowering of the project will be in natural gas and will commence construction in 2020 and completed by 2025. When it is completed that will be the power source of the project and it will still be IPP. After construction of the natural gas generation and it becomes commercially viable we will turn the switch on for the gas and switch off for the coal and it will still be a single source generator. Now the fuel will be natural gas instead of coal and it will still be what Logan participates in now.

This also provides IPA a commitment to offer the participants (Logan) in this project a renewal in the project to go from 2027 for another 50 years. That is the renewal offer and it was dated March 18, 2016 and was delivered to Mayor Petersen and others. There will be opportunities in this round of a renewal offer for the City to elect an option to subscribe to the entitlement up to the entitlement that Logan currently has which, is just under 2.5%. The Council can approve anywhere between 0 and 2.5% of the project and there will be additional rounds available at a later time. If any of the 23 participating Utah municipalities, who are members of IPA and the 6 electrical cooperatives decide not to subscribe to their full entitled percentages it will leave "orphaned" shares. In the second round, those who participated in the first round can pick up these "orphaned" shares. The contract provides that it will be 2-600 megawatt combined cycle natural gas units for a total of 1,200 megawatts. The contract also provides that size can be adjusted before there is a commencement of construction for a new natural gas generation. Currently the contract with Logan is 1,800 megawatts but this can also be downsized. This is still energy that will be available to Logan if the Council decides to subscribe and will still be given an opportunity to enter into a renewal that is similar to what Logan has now. The main points of the contract are that Logan will still be able to unconditionally put Logan's entitlement percentage to the California purchasers with the right to recall. Once the power is recalled there are some limitations of putting it back. He said if it doesn't fit the economics of Logan City they don't have to take it and the Californians will take it instead.

Mr. Eldredge said the reason this will be beneficial to Logan City, other than just participation in a larger project, is it will bring economy to the State of Utah. The IPP is a tax payer and they pay property taxes and a tax similar to an income tax which is called gross receipts. They are contributing to government through taxation but besides Logan just being a partnership in something, as the natural gas project is developed it will be developed on a brown field site so there is no risk in the notion of not constructing it because the permits will be available and issued. Also, over the past 30 years as the Californians have taken all the energy out of this project, they have also paid all of the costs so all of the assets that IPA owns will have been paid for and the last debt will be paid in 2023. As the new generation is constructed, the only cost that Logan City will have is the cost of new construction.

Mr. Eldredge said the first round offer has an accepting date of May 25, 2016. Under that provision, the Council would have to act and approve the acceptance if they chose to participate and authorize the entering into the acceptance agreement, renewal of the power sales contract and authorize into the agreement of entering into the sale of renewal excess power and all of this would need to be done before May 25, 2016. If the Council fails to do this before May 25, 2016 and does not respond, IPA will take that to mean that Logan does not want to subscribe and will lose the opportunity. It would then be available for other Utah purchasers.

Mr. Eldredge encouraged the Council to go through their normal process and decide if Logan wants to participate for another 50 years.

Councilmember Simmonds asked when we renew for the 50 year time frame we are renewing for less power capacity than we have today.

Mr. Eldredge responded that is correct. Logan might have the opportunity to pick up some orphaned Utah shares that would increase entitlement but whatever Logan can pick up is not going to be enough to get us to where we are today and the energy that we have in reserve.

Councilmember Simmonds asked do we use all of the shares that we get now.

Mr. Eldredge responded there have been brief periods of time when Logan and other cities have recalled power and used it. Unfortunately, the price in which we are able to generate electricity in the coal units is higher than other resource opportunities and for that reason Logan has likely not recalled shares.

Councilmember Simmonds said if we move to natural gas would that be a deterrent for us to have less opportunity.

Mr. Housley responded that we will have the option and if it's a better price than we are getting we can recall it and use it and if not we can sell it. The biggest change is the fact that we are going to have a lower allocation than we have now.

Chairman Olsen said our population is increasing and our general national appetite for energy is not going down.

Mr. Eldredge said the reason for the decrease is that California law and he referred to the Renewable Portfolio Standard which they have in California but not here in Utah. Their Renewable Portfolio Standard states they were to get 33% of their resource from renewable sources by 2020. That is really what the 1,200 megawatt was built on. If by law you have to produce so much energy by a certain resource and if your growth is not off the charts, then you have to cut back somewhere else to make up the difference. In the past year, California has decided to increase that portfolio standard to 50% so the standard has gone from 33% to 50% by 2030 so it gave them another 10 years.

Chairman Olsen asked by transitioning from coal to natural gas what will happen to Carbon County when they suddenly cannot sell coal.

Mr. Eldredge responded that unfortunately the demand for coal will decrease. The coal industry is depressed and it's not getting any better. It will have an impact on the State of Utah and there will be a lot of unemployment. Natural gas does not require as much staff support. He said the first round will take us through the summer and when concluded then the contract provides that the shares that have been orphaned by the Utah interest will be available to Utah. The way the voting structure goes is through entitlement and it requires an 80% entitlement and Utah as a 21% entitlement at this time.

Mr. Housley said the intent is to bring this back to the Council as an action item and Mark Montgomery will provide percentages in the resolution based on what he feels is appropriate.

Mr. Eldredge said of the 23 Utah municipalities who are part of this project; there have been a number of them who have expressed a desire for more entitlement. What he is finding as he is talking with these 23 municipalities is they want to subscribe to what they currently have. He does not feel there will be a lot of orphaned shares available.

Mr. Housley stated that we can assume the lowest case scenario of 600 megawatts and then get to where we are currently. More than likely it will be less but at least that gives us an option and even if we don't need it, we can consider it as insurance.

Chairman Olsen said we need to position ourselves to be available for the maximum amount that we can because we will need it in the future whether other communities choose to or not.

The proposed resolutions will be action items and public hearing sat the May 3, 2016, 2016 Council meeting.

Consideration of a proposed resolution indicating the intent to adjust the boundary between the City of Logan and the City of River Heights – Resolution 16-23 – Mayor Craig Petersen

Mr. Housley addressed the Council regarding the proposed boundary adjustment. He was approached by Wasatch Construction which is a division of Wasatch Properties. This is a Dell Loy Hansen project in the area of the Riverwoods Apartments and they have approached the City asking if we would be willing to do a boundary line adjustment to include the property shown in the exhibit which he provided to the Council. The parcel is located at approximately 200 East 600 South in River Heights and is approximately 5.44 acres. River Heights City has also been notified and they are doing a similar resolution for this boundary adjustment. The purpose is to extend the current Riverwoods complex for additional housing. The issue for River Heights is they don't have the ability to provide utilities without a lot of cost.

Chairman Olsen said we might have some leverage to tell Wasatch that if they want to adjust boundaries and come into Logan they should go the Cache County School District and get them to approve a transfer of the tax base from Cache County to Logan City.

Then future school children who might live in this area would have the property taxes go to the Logan City School District where they would go to school.

Mr. Housley said that changing municipal boundaries does not change school district boundaries. The new housing will be apartments and they would go to County Schools but they would have the ability to go to other Logan schools if they wanted.

Chairman Olsen also asked if this area is incorporated into Logan City would the Logan City School District service any children living in this new area.

Mr. Housley responded no, not unless they choose to attend a Logan school. They would have to apply to attend a Logan School because they would be in the Cache County School District. This is one of those situations where the closest schools are in the County.

Mr. Housley explained that this boundary adjustment will be an action item/no public hearing on May 3, 2016. It will be noticed for 60 days and then it will come back to the Council as an ordinance on July 19, 2016.

The proposed resolution will be an action item at the May 3, 2016, 2016 Council meeting.

OTHER CONSIDERATIONS:

There were no further considerations from the Council.

ADJOURNED. There being no further business to come before the Council, the meeting of the Logan Municipal Council adjourned at 8:30 p.m.

Teresa Harris, City Recorder