

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
October 15, 2019

City Building
55 South State Street
Clearfield City, Utah

PRESIDING:	Nike Peterson	Mayor Pro Tem
EXCUSED:	Mark Shepherd	Mayor
PRESENT:	Kent Bush Vern Phipps Tim Roper	Councilmember Councilmember Councilmember
EXCUSED:	Karece Thompson	Councilmember
STAFF PRESENT:	JJ Allen Summer Palmer Stuart Williams Devin Rogers Adam Favero Eric Howes Curtis Dickson Spencer Brimley Rich Knapp Trevor Cahoon Nancy Dean Wendy Page	City Manager Assistant City Manager City Attorney Police Assistant Chief Public Works Director Community Services Director Community Services Deputy Dir. Community Development Director Finance Manager Communications Manager City Recorder Deputy Recorder

VISITORS: Devin Prouty, Chris Uccardi, Ruth Jones, Adam Hughes – Better City, Joe Torman – Lotus, Bryan Wrigley - Lotus

Mayor Pro Tem Peterson called the meeting to order at 6:02 p.m.

DISCUSSION ON AWARD OF PROPOSAL FOR THE SANITARY SEWER CAPACITY STUDY

Adam Favero, Public Works Director, stated staff identified six areas in the City where a study on the sewer capacity would be beneficial. He stated a request for proposal (RFP) had been issued. Mr. Favero explained CRS Engineering had been selected for the bid amount of \$31,766 with an additional amount for contingency cost of \$13,234 for a total project cost of \$45,000 to be approved by the Council.

Mayor Pro Tem Peterson wondered why the contingency amount was higher than normal for the project. Mr. Favero responded the contingency was higher to accommodate unforeseen expenses if the findings from the study required it to be expanded.

JJ Allen, City Manager, said \$85,000 was budgeted for the project and the total for the CRS bid was \$45,000. He stated staff felt that was a good starting point and would come back to the Council, if necessary, and request more.

Mr. Favero reviewed the six areas of the City included in the proposed study.

DISCUSSION ON A RECREATION AND AQUATIC AND FITNESS CENTER FEE STUDY

Eric Howes, Community Services Department, stated there was a significant decrease in revenue at the Aquatic and Fitness Center. He stated staff reached out to consulting firms to get a ballpark on pricing to complete a thorough fee study. The City received four proposals that ranged in pricing from \$15,000 to \$30,000. He reviewed the proposals that were submitted to the City. He indicated staff recommended Tom O'Rourke Consulting with a bid of \$21,000.

Mr. Howes stated there were several reasons revenues had gone down at the Aquatic Center. He explained staff felt one of the reasons might be costs had increased, but there had been no increase in fees since the opening of the center.

He reviewed the following five parts desired to be included in the study:

- An evaluation of existing business principles, finance philosophy, staffing, and facilities.
- A pricing and fee structure evaluation.
- Pricing and fee structure recommendations.
- Financial stability and sustainability recommendations
- An implementation plan.

Mr. Howes indicated the \$21,000 that had been proposed for this study included sending information to the firm, meeting for three days, the firm reviewing information gained, and the firm providing fee recommendations back to staff. He explained having the firm come back out to implement the findings was not included in the proposed amount. He stated if Council felt that was beneficial it would cost approximately \$2,000 more.

Mr. Howes reviewed the qualifications of the recommended consultant.

Mr. Howes explained it was not anticipated that the full implementation of the findings would be complete until approximately the end of January 2020.

Councilmember Roper expressed support for the study but also wondered if fee studies should be looked at more often. Mr. Howes agreed the frequency of studies should be increased and explained part of the study would review the implementation of the fee adjustments over time.

Councilmember Phipps affirmed the study would be good for the City.

Mr. Allen asked if anyone had a desire for the consultant to come back and report on the implementation. The consensus of the Council was to have Mr. Howes and his department present and implement the findings of the study.

Mr. Allen restated the study would be very specific to the recreation and aquatics departments and would help set up a structure for the next 5 to 7 years to increase fees as necessary.

DISCUSSION ON AWARD OF BID FOR THE ARTS CENTER ELECTRICAL UPGRADE

Curtis Dickson, Community Services Deputy Director, explained the Arts Center needed an electrical upgrade. He stated the project would have cost savings if it could be awarded promptly. He reviewed the upgrades that would take place with the project. He noted the City had five companies come do a walk through and only one company bid on the project. The bid came in at \$112,258 and the budgeted amount based on engineering estimates was \$85,000.

Councilmember Bush wondered why the bid was higher than the engineering estimate. Mr. Dickson was not certain about the difference in pricing.

Councilmember Roper asked if the upgrade would shut down the Arts Center. Mr. Dickson responded yes. He noted there would only be a few things that would be shifted to City Hall such as band and concert practices.

Mr. Dickson reviewed the following options for responding to the bid:

- Reject the current bid and add additional money for the project to the FY2020 budget.
- Amend the budget, adding an additional \$40,000 to the project to cover the current project scope, engineering and contingency funds.
- Reduce the scope by \$19,748.00 as proposed by the bidder to reduce the project cost to \$95,510 and amend the project budget \$20,000 to cover the project scope, engineering and contingency costs.

Councilmember Phipps asked if the cost would increase if the upgrade were postponed. Mr. Dickson said there was potential for a cost increase and the upgrade would then need to be delayed by another year for the Arts Center.

Mayor Pro Tem Peterson expressed worry about getting only one bid and wondered if waiting to bid a second time would produce more bidders, as seen with other projects, would produce bids closer to the engineer's estimate.

Councilmember Roper asked if there were any safety concerns that needed to be addressed sooner. Mr. Dickson explained some of the main panels in backroom were old and not covered and the power capacity in the building was close to maxed out. Councilmember Roper stated he would ultimately like to find the best price, however, if there were safety issues the upgrade should be done sooner.

Mayor Pro Tem Peterson asked if the City had worked with the bidder before. Mr. Dickson replied the City had not worked with the bidder before however CEC, City Engineer, had and its experience had been positive.

The consensus of the Council was to do a budget amendment and keep the original scope for a total of \$125,000 for the upgrade.

DISCUSSION ON A DEVELOPMENT AGREEMENT WITH LOTUS COMPANY FOR MABEY PLACE LOCATED IN THE VICINITY OF 442 SOUTH STATE STREET

Summer Palmer, Assistant City Manager, welcomed Joe Torman with Lotus and Adam Hughes with Better City. She reported Bryan Wrigley would be joining the meeting later. She mentioned staff had been working with Lotus and Mr. Hughes for a while on the details of the Mabey Place development. She stated staff had a draft version of the development agreement but it was still a work in progress so there would not be a development agreement to hand out to the Council at the meeting. Ms. Palmer explained staff had committed to finish the details of the development agreement, which was about 95 percent done, and then send it out to be reviewed by the Council.

Mayor Pro Tem Peterson expressed her frustration at not having a development agreement at the meeting. Ms. Palmer said without the Council feeling completely comfortable with the agreement, a special policy session might need to be held later in the month. She expressed the Council should not feel rushed in the decision. Ms. Palmer reviewed the original timelines that were established that allowed Lotus to reach application deadlines for the Low Income Housing Tax Credit (LIHTC). She acknowledged the delay would push Lotus back on application deadlines, but it was important for the Council to feel comfortable with the decision process for the development agreement.

JJ Allen, City Manager, added if the Council were to feel comfortable in its decision by next policy session, Lotus felt confident they could make the application deadline in December and start construction in late spring.

Mayor Pro Tem Peterson expressed the difficulty she felt the Council had in making a decision without a development agreement and having the weight of deadlines out of its control placed upon them. Ms. Palmer reiterated the comfort of the Council in the decision was of utmost importance so there was an extra week to take in the decision making if the Council felt it was needed.

Councilmember Phipps expressed hesitation towards being put in a situation where the Council felt rushed in its decision. He preferred having the extra time to look things over and make an informed decision.

Mr. Allen stated the decision was made to delay providing a copy of the draft Development Agreement to the Council so the Council could have the final negotiations available to it before discussing it in its entirety.

Ms. Palmer discussed the key points being addressed in the development agreement as outlined in the staff report. She explained the development agreement covered only the phases of the development that would occur on the Clearfield Mobile Home Park (CMHP) property and the Minaya property. She stated the City still wanted to continue the partnership with Lotus and that partnership and any new acquisition of land was outlined in a new Memorandum of Understanding (MOU) agreement titled MOU-2, which would supersede the original MOU with Lotus. Ms. Palmer said the MOU-2 also outlined the City's commitment to continue with creating a Community Reinvestment Area (CRA).

Ms. Palmer said the development agreement currently stated the City would defer the impact fees but recapture the fees with interest over time. Mr. Allen explained there would be a schedule included in the development agreement that highlighted the payments with interest of the impact fees.

Councilmember Phipps asked if impact fees had to be spent in a certain time frame. Mr. Allen explained the time frame started once the fees were collected.

Ms. Palmer stated the City was in the process of working out a land swap with UTA, regarding the land near the commuter rail tracks, in order to have a connection to Depot Street.

Ms. Palmer reviewed the use of the LIHTC being used by the developer for the proposed development. She stated the development would be 80 percent LIHTC occupied and 20 percent market rate occupied. She noted the LIHTC component for tenants would be recognized at 60 percent of the average median income (AMI) for Davis County.

Councilmember Bush asked if the AMI was determined by state or land. Joe Torman, LOTUS, explained it varied by density and was based on individual tracks that were created based on census data.

Councilmember Roper affirmed he was okay with the 60 percent AMI if it met the demographics of those living in Clearfield. Councilmember Phipps stated he was still against the development. Mayor Pro Tem Peterson expressed her concerns regarding the new information being presented and the timing of it being presented to the Council.

Ms. Palmer reiterated the decision to keep the topic on the agenda for the meeting was an effort to introduce some of the changes being made so the Council had time to process them and make an informed decision. She reminded staff that a decision did not need to be made by the next policy session and could be delayed to a later meeting.

Ms. Palmer further reviewed the transactions to be considered. She stated the City would convey the CMHP property (not including the property used for the streets and park) to the developer for the first three phases, over the span of five years for a negotiated price. She explained if LOTUS were able to add more townhomes to the proposed development the purchase price for the property would be different. She stated there would be a table showing the breakdown of payments in the development agreement.

Mr. Allen explained developers looked at the purchase price of a property based on a per door basis and that was reflected in the purchase price for the CMHP property.

Councilmember Bush wondered when the payments for the property from LOTUS would start. Ms. Palmer said LOTUS would purchase portions of the property based on the construction timetable, but the first acquisition would likely be next year.

Councilmember Roper expressed his opinion that LOTUS was investing a lot into the Clearfield community. He stated he felt comfortable moving forward with LOTUS as the developer for the project. Ms. Palmer added it had been a great partnership thus far with Lotus on working out details for the proposed development.

Councilmember Bush asked about the modifications from the Form Based Code (FBC). Spencer Brimley, Community Development Director, stated the modifications were minimal.

Mr. Allen referred to the commercial space proposed for the initial phase of the project. He mentioned Lotus had never portrayed that the commercial space would be anything but a leasing office. He explained the development agreement stated LOTUS could lease out the commercial space to any other tenant if desired instead of using it as a leasing/management office.

Ms. Palmer stated the final development agreement would be sent out as quickly as negotiations were completed.

Councilmember Bush moved to adjourn at 7:35 p.m., seconded by Councilmember Phipps. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Phipps, and Roper. Voting NO – None. Councilmember Thompson was not present for the vote.

**APPROVED AND ADOPTED
This 12th day of November, 2019**

/s/Mark R. Shepherd, Mayor

ATTEST:

/s/Nancy R. Dean, City Recorder

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield City Council meeting held Tuesday, October 15, 2019.

/s/Nancy R. Dean, City Recorder