

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD MAY 31, 2007 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:00 p.m.

CONDUCTING: Mayor Pro-Tempore Douglas L. Stipes and Mayor W. Dean Howard. Mayor W. Dean Howard arrived at 6:20 p.m.

ROLL CALL: Councilmembers Martin L. Felix, Paul C. James, Stephanie Miller, Craig L. Rasmussen and Douglas L. Stipes present.

CALL TO ORDER: There being five members present and five members representing a quorum, Mayor Pro-Tempore Stipes called the meeting to order.

OTHERS PRESENT: City Administrator D. Brent Jensen, City Engineer Craig Neeley, City Attorney Scott Wyatt, Scott Wyatt's assistant Craig Carleston, and City Recorder Stephanie Fricke.

AMENDED **WELCOME:** Mayor ~~Howard~~ Pro-Tempore Douglas L. Stipes welcomed everyone in attendance.
07-05-07

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was FAXED to The Herald Journal, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours before meeting time.

AGENDA

8. WORKSHOP:

- A. To discuss impact fees and other development issues.

WORKSHOP:

TO DISCUSS IMPACT FEES AND OTHER DEVELOPMENT ISSUES.

Mayor Pro-Tempore Stipes said a developer is trying to annex over 700 acres on the west side of Hyrum. This annexation will tie into a pending annexation for 900 acres south of Hyrum Dam. The City Council tentatively approved the south of Hyrum Dam annexation several years ago, upon the developer submitting an acceptable Annexation Agreement for the area. The City has been waiting for a developer to submit an acceptable annexation agreement, but no developer has found a lucrative way to extend utilities across the dam, and address the safety concerns with the spillbowl road until now.

City Attorney Scott Wyatt said the proposed development plan

submitted to the City for the west side of Hyrum and the south side of Hyrum Dam includes an 18-hole golf course with residential and multi-family housing, and a commercial area. He has met with Mayor Howard and City Administrator D. Brent Jensen to discuss some of Hyrum City's concerns with the annexation. The City's Annexation Agreement with the annexation petitioners should address all of the City's expectations with the development of the property including, transportation issues, utility extensions, water shares/rights, golf course, zoning, etc.

Mayor Howard arrived at 6:20 p.m.

An annexation agreement could require the golf course to be built before any building permits are issued. He suggested the City Council work out an ownership/lease agreement with the developer that would give ownership of the land and course to Hyrum City, and in return the City would lease the golf course back to the developer. The City has to own the golf course land in order to ensure that property is maintained. If the City doesn't own the land the developer could close down the golf course and let the property turn into weeds. The City could give the developer a density bonus for giving the City the land. If the City annexed the 1,600 acres of property and zoned it one-half acre lots, the City is then in a position to give the developer a density bonus for the golf course by allowing the developer one-quarter acre lots. The City could also require the developer to post a bond for all public utilities, including the golf course, before the property is annexed. Then if the developer didn't build the golf course within the allotted time, Hyrum City could execute the developer's bond to build the golf course.

The annexation agreement should also include a time line for roads to be completed; a plan for each utility to be extended, including who is responsible to pay for the different types of improvements and/or equipment; a timeline for the development; and the requirements for water. If the developer doesn't follow the annexation agreement Hyrum City has no obligation to provide City Services nor to allow any development until the conditions of the annexation agreement are met. A well written annexation agreement will protect the City and the developer.

Mayor Howard said in the past Hyrum City completed several large projects due to the revenue generated by the electric utility. However, over the past eight years the electric utility is barely generating the revenue necessary to fund maintenance and operation costs. Hyrum City no longer has a utility fund with excess money to help pay for general fund

items. This is why development in Hyrum is going to have to pay for itself. Hyrum City is facing two large annexations and several other developments that are currently inside City limits. It is critical that Hyrum City's impact fees are set at amounts that will allow growth to pay its own way.

City Engineer Craig Neeley said Lewis Young Robertson & Burningham, Inc. conducted the Transportation and Public Safety Impact Fee Analysis for Hyrum City and Aqua Engineering prepared the revised Roadway Capital Facilities Plan and the Wastewater Collection System Impact Fee Study.

Between the years of 2001 and 2005, Hyrum City had a total of 455 fire/EMT calls for service. At buildout, and using the current City boundaries, it is projected that there will be 4,815 residential units and 621 developed commercial acres. Holding the commercial and residential calls for service rations constant through future buildout, the total number of additional calls that can be assessed impact fees at buildout are expected to increase by 68 calls, to a total of 132 assessable calls annually. Residential units will have a total of 106 calls for service at buildout, 63 of those being attributed to new growth. At buildout commercial will have a total of 26 calls for service annually; of those, five will be attributable new growth. In order to serve the new demand, as well as meet the needs of existing development, the City will need to build a new, replacement fire station. The total cost of this station is estimated at \$2,255,437 (2007 costs). Residential development should pay for 80 percent of the cost of the station and commercial development should pay for the remaining 20 percent of the station. The cost per call for residential is \$17,086.64. The cost per residential unit is calculated by multiplying the cost per call by the average calls per unit (.22) to arrive at an impact fee of \$375.91 per residential unit. The cost per commercial acre is calculated by multiplying the cost per call by the average calls per commercial acre (.042) to arrive at a cost of \$717.64 per acre, or \$.09 per building square foot, assuming a floor area ration of .18.

Lewis Young Robertson and Burningham, Inc. assessed a new Transportation Impact Fee based off of the revised Roadway Capital Facilities Plan prepared by Aqua Engineering. The impact fees calculated for the capital projects that are recommended are calculated by first taking the amount of \$1,362,287.81, attributable to new development, and dividing by the 960 new households that will benefit from the new capital facilities. Included in the amount to be financed by impact fees is a \$2,000 expense for the impact fee calculation expense. The result is an impact fee of \$1,419.05 per

household.

Aqua Engineering conducted the Wastewater Collection System Impact Fee Study. Although there are currently development concepts that include annexation of large unincorporated acreage south and west of Hyrum Dam, at this time there is nothing concrete or definable. This study assumes that approximately 85% of future growth will take place in the southeast corner of the City along 800 East / SR-165, expanding south towards Avon, east to the mountain foothills, and west to Hyrum Dam. Presently there is insufficient wastewater collection infrastructure in this area to accommodate this growth. The analysis focuses on this area identified as Hyrum South study area. The Hyrum South study area is made up of 1040 acres that is projected to contain a maximum population of 7,860 based on a density of approximately 7.6 persons per gross acre. Revenue generated from this impact fee should be used to complete construction of a series of interceptor pipes as well as upgrade critical sections. This will ensure the integrity of the current collection system and protect the existing customer capacity while providing capacity for additional growth. This report was developed as a localized impact fee and due to the fact that the area in question does not currently have any wastewater utility, 100% of the cost of the improvements are attributable to new growth. The resulting wastewater collection system impact fee is \$1,350.

The impact fees calculated above represent the maximum supportable impact fees allowed by law. The City Council may choose to adopt any impact fee that is less than those described above.

City Administrator D. Brent Jensen said Hyrum City's Electric Utility Superintendent Guy McBride is proposing the City Council consider assessing an electrical impact fee. The electric utility no longer has the funds nor generates the revenue it once did, and can not afford to fund future growth.

ADJOURNMENT:

ACTION **There being no further business before the Council, the Council Meeting adjourned at 7:55 p.m.**

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: July 5, 2007
As Amended