

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD JUNE 26, 2008 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 5:00 p.m.

CONDUCTING: Mayor W. Dean Howard

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

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

OTHERS PRESENT: City Administrator D. Brent Jensen, Electric Superintendent Guy McBride, Steve Baugh, Eric Baugh, Lance Anderson, Jerry Robinson, David Nielsen, Lance Leishman, and Roy and Janis Hugie. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Howard welcomed everyone in attendance.

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

4. WORKSHOP:
 - A. To discuss the Little Bear Parkway Annexation.

WORKSHOP:

TO DISCUSS THE LITTLE BEAR PARKWAY ANNEXATION.

Mayor Howard said the City Council accepted the Little Bear Parkway Annexation petition in June of 2007. Since then there have been numerous meetings between the proposed developers, Mayor, City Council and City Staff to discuss the master plan, utilities, and feasibility of the annexation. It is time for the City to either move forward with the annexation or deny the annexation. He recommended having Hyrum City's Attorney work with the developer's attorney to prepare an annexation agreement. The annexation agreement should be finished by the first part of July so that the City Council can take action on the annexation at the second Council Meeting in July. Some people may think that the City is rushing things, but the City needs to be fair ~~fare~~ to the property owners and developers by making a decision on the annexation.

AMENDED
07-17-08

Councilmember Rasmussen said the annexation agreement needs to include both the Little Bear Parkway property and the South of Hyrum Dam property. An annexation petition has not been

submitted for the South of Hyrum Dam Property. The City should not move forward with an annexation agreement until an annexation petition has been submitted for the South of Hyrum Dam Property.

City Administrator D. Brent Jensen said the developers are waiting to submit the South of Hyrum Dam annexation petition until they get some type of assurance that the City Council is seriously considering annexing both the Little Bear Parkway and the South of Hyrum Dam properties. It will cost the developer approximately \$15,000 (\$1,000 filing fee + \$25 per acre, and a \$1,000 deposit) to file the South of Hyrum Dam annexation petition. It isn't fair to ask the developers to pay the filing fee for the South of Hyrum annexation petition if the City Council does not want to annex the property.

Councilmember LaBau said he is not in favor of annexing the property due to concerns that he summarized in a letter previously sent to the City Council. He does not want to gamble \$17 million of taxpayer's money in hopes that the developer's fiscal impact study and property value estimates are correct. He thinks the value of the houses proposed are highly optimistic and does not think that there is a demand for over 2,000 multi-family housing units at \$180,000 and higher. If the units do not sell at the prices listed in the feasibility study then the project won't generate enough property tax to pay for general fund services. What will be built if there isn't a demand for high-end multi-family housing units? The developer will still be allowed to build the approved density and the density for the area is exceptionally high. He is not in favor of approving a set density that is higher than the General Plan allows. The General Plan was recently updated and several citizen workshops were held and the citizens wanted to keep the density low and/or rural. Several sections of the General Plan site low density for this area and he is not comfortable approving a development that does not fit into the General Plan and going against what the citizens wanted. Approving the proposed density before it is annexed is allowing them to have a Planned Unit Development without going through the stringent process required by City ordinances. He doesn't think the City should spend money on annexation agreement that contains provisions that are not acceptable to the City Council.

Councilmember Rasmussen said he agrees with Councilmember LaBau's comments on the proposed annexation. He doesn't think high density housing even with a golf course belongs in that area. The density proposed by the developer is per gross acre. The developer is asking for density of 18 units per gross acre which would be 20 to 21 units per net acre. The acreage for the 20 units per acre is equivalent to seven city blocks. This is extremely high density housing. The northwest side of Logan has a density of 14 units per net acre and that area has more than a 50% turnover in the schools. High density does not create a stable community. The high density won't be a retirement

community because the pictures provided by the developer show the apartments three stories high.

City Administrator D. Brent Jensen asked if it was fair to compare this development with a golf course and the topography of the land with the northwest side of Logan. The developers are proposing that all of the units will be sold for more than \$180,000.

Councilmember Rasmussen said he doesn't believe that the people in Cache Valley are going to want to buy a \$180,000 apartment with 20 units per acre when they can buy a house on 12,000 square feet for \$180,000.

Councilmember Felix said he hasn't researched the number of building permits issued in Cache County over the past several years, but he doesn't think this development will be completed in 20 years. The City Council has approved over 600 building lots this past year. Hyrum City issues an average of 35 building permits a year, if growth continues at that rate it will take 20 years until the 600 building lots are sold.

Councilmember James said Steve Baugh, the developer, has expressed his intent to develop this property whether it is annexed into Hyrum City or not. He would rather the City Council annex this property so it can have some control over the development.

Councilmember Rasmussen said Wellsville City's annexation declaration area does not include property east of the Meridian Road and if developed in the County the proposed density will have to be much lower. He is concerned about the financial impact on the City once the property is annexed and does not see how the City can recover its costs. Is the City willing to give an excessive amount of high density for a golf course. He is concerned about the long term affects that the high density housing will have on Hyrum City.

City Administrator D. Brent Jensen said he contacted the Santaquin City Manager regarding an annexation that took place over ten years ago. The project included 2,000 acres with three golf courses. Once the property was annexed the developer sold it and another developer sat on the project because he could not develop the land in accordance with the annexation agreement. Eventually he sold the property to another developer and that developer worked with the City to release the property from being developed with three golf courses on it. The developer agreed to put in 8 miles of equestrian trails rather than the golf courses. Santaquin had an annexation agreement and the developer would have had to comply with the conditions set in the annexation agreement, however, the City Council agreed with the developer that equestrian trails would be better for the City than three golf courses. The one advantage into annexing property is then

the City has control over it and the utilities and roads won't be piece milled.

City Attorney Craig Carlston said an annexation agreement can be written so that the property has to be developed under the conditions outlined in the annexation agreement regardless of how many times the property is sold, and the agreement doesn't have an expiration date. He likes the idea of the City annexing all of the property at one time with a master plan of the area, however, the City Council needs to consider the density so that it keeps in character with the rest of the City and that the City and development is financially stable to provide services once annexed.

Councilmember Miller said she is concerned about the City's financial future with increasing power costs, and the library and sewer debt and does not think the City should annex a project this large. The annexation originally started out with property south of Hyrum Dam that was to be developed with larger lots and single family houses, and now it has escalated into a development that is unmanageable. She was not against the annexation of the property south of Hyrum Dam but she is not in favor of the proposed development with stacked apartments and houses.

Mayor Howard said he spoke with the developer and its financing company earlier this week on the telephone. The financing company assured him that they have the funding necessary to complete this project. It is a financial gamble to the City if it annexes this property, but the developer is also gambling. Sometimes you have to take risks to get ahead.

Councilmember LaBau said he does not think the City should gamble with taxpayer's money. If the City Council thinks the citizens would turn the annexation down if voted on then the City Council should not approve the annexation.

City Administrator D. Brent Jensen said the density can be set in the annexation agreement. Once the annexation agreement is approved by both parties the developers are entitled to that density.

Councilmember LaBau said the City doesn't have a zone that allows the type of density the developer is requesting.

Developer Steve Baugh said the Little Bear Parkway is going to be different from any other development in Cache Valley. He is using Jerry Robinson one of the best architects in the State of Utah to design the project. The project includes a golf course, equestrian parks, and numerous parks. In order to provide these amenities the density has to be higher in some areas. The project creates an ambience for upscale development. The proposed density is 3,200 units on 750 acres.

Councilmember LaBau said the City should not approve a density higher than allowed by the zoning ordinance. The developers need to go through the P.U.D. process.

Mayor Howard said the developer has a specific density that he needs to have in order to meet the financial needs for the project. How will the City provide large enough water and sewer lines if the project is annexed one small piece at a time.

Councilmember LaBau said the annexation agreement can require the developer to install upsized lines where needed to serve future growth. The City can require anything it wants of the developer before the property is annexed.

Councilmember Felix said the City Council should be very careful if it proceeds further with the annexation. This is a large development and it can be either the best thing to happen or the worst thing to happen to Hyrum and right now nobody knows which way it is going to turn out.

Councilmember Miller said Hyrum is a wonderful community to live in and she wants to continue to keep it that way. She is not opposed to growth but she wants the City to maintain a rural atmosphere. She is concerned that this development has the potential to bankrupt the City. She would prefer the property be developed in the County rather than annexing it into Hyrum City.

Councilmember LaBau said the density is too high and the financial risk is too great and he is not willing to put the City and its citizens in that situation.

City Administrator D. Brent Jensen said if the property is annexed then the City has control of the infrastructure. If development is piece milled the City, how will the City fund the upsizing of lines and plan for a major road.

Councilmember Rasmussen said the City can require a developer to install larger lines and build roads in an annexation agreement. He would prefer annexing smaller pieces that are more manageable.

Councilmember James said people should be able to use their property the way they want to. The City shouldn't stop someone from developing his/her land.

Councilmember Miller said the City isn't stopping people from developing their land, they can still develop their property in the County under County regulations.

Mayor Howard said if the City Council doesn't want to annex the property then it needs to make that decision.

Councilmember Rasmussen said he doesn't want that type of density in Hyrum.

Eric Baugh said they are only asking for a specific number of units which can be spread out more evenly throughout the development.

Developer Steve Baugh said if the City Council doesn't want this development in Hyrum then he will take his idea to Wellsville City or Cache County. He has the financial backing to build a project and it doesn't matter if he develops this project or another one that he has going. He just needs to know what the City wants from him.

Councilmember Miller suggested that he move forward on a different project since he has other ones.

Architect Jerry Robinson said he has tried to create something different for Hyrum in his design of the Little Bear Parkway. Having higher density in areas allows the natural vistas to remain.

Councilmember James said the developer could build the golf course and then apply for annexation in phases rather than annexing the entire project at one time.

Mayor Howard said he didn't think the City Council was in favor of it, so there was no reason to continue the discussion.

Councilmember Rasmussen said the City Council can not vote on it at tonight's meeting. He requested it be put on the next City Council Agenda to determine if the City Council wants to continue working on the annexation of the Little Bear Parkway or if it wants to reject it.

ADJOURNMENT

ACTION

There being no further business before the Council, the Council Meeting adjourned at 6:35 p.m.

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: July 17, 2008

As Amended