

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD APRIL 24, 2008 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 p.m.

CONDUCTING: Mayor W. Dean Howard

ROLL CALL: Councilmembers Martin L. Felix, Paul C. James, Thomas C. LaBau, Stephanie Miller, and Craig 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, Zoning Administrator Ron Salvesen, Electric Superintendent Guy Ray McBride, City Engineer Craig Neeley, Fred Philpot with Lewis, Young, Robertson, & Burningham, and citizens Craig Poppleton, Dick Sackett, Leon Savage, Roy Savage, Troy Kartchner, Dan Larsen, and Jay Stocking. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Howard welcomed everyone in attendance and invited audience participation.

PLEDGE OF ALLEGIANCE: City Administrator D. Brent Jensen led the governing body and the citizens in the Pledge of Allegiance.

INVOCATION: Mayor Howard

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.

ACTION **Councilmember Miller made a motion to approve the agenda for April 24, 2008 as written. Councilmember LaBau seconded the motion and all five councilmembers voted aye.**

AGENDA

7. PUBLIC HEARING:

A. To receive public comment regarding Hyrum City's capital facilities plan and impact fee analysis upon which impact fees may be based for the City's culinary and piped irrigation water systems, the wastewater (sewer) collection and treatment system, electrical system, public safety, parks, and transportation; and to consider imposing or increasing impact fees for the referenced facilities, pursuant to the provisions of the Utah Impact Fees Act.

8. INTRODUCTION AND ADOPTION OF AN ORDINANCE:

- A. Ordinance 08-11 - An ordinance revising and adopting a policy for impact fees for water, sewer, public safety, transportation, parks, irrigation, and electrical power services in Hyrum City; establishing service areas for equitable distribution of impact fees; repealing conflicting sections of Chapter 3.24 of the Hyrum City Municipal Code; and other related matters.

9. ADJOURNMENT

PUBLIC HEARING:

TO RECEIVE PUBLIC COMMENT REGARDING HYRUM CITY'S CAPITAL FACILITIES PLAN AND IMPACT FEE ANALYSIS UPON WHICH IMPACT FEES MAY BE BASED FOR THE CITY'S CULINARY AND PIPED IRRIGATION WATER SYSTEMS, THE WASTEWATER (SEWER) COLLECTION AND TREATMENT SYSTEM, ELECTRICAL SYSTEM, PUBLIC SAFETY, PARKS, AND TRANSPORTATION; AND TO CONSIDER IMPOSING OR INCREASING IMPACT FEES FOR THE REFERENCED FACILITIES, PURSUANT TO THE PROVISIONS OF THE UTAH IMPACT FEES ACT.

ACTION

Councilmember James made a motion at 6:32 p.m. to open the public hearing to discuss Hyrum City's capital facilities plan and impact fee analysis upon which impact fees may be based for the City's culinary and piped irrigation water systems, the wastewater (sewer) collection and treatment system, electrical system, public safety, parks, and transportation; and to consider imposing or increasing impact fees for the referenced facilities, pursuant to the provisions of the Utah Impact Fees Act. Councilmember Felix seconded the motion and all five councilmembers voted aye.

City Administrator D. Brent Jensen said impact fees are based on costs to serve specific development areas. The fees are developed through capital cost estimates and fee analyses. Impact fees enable developers to buy into existing facilities previously oversized for future growth. Hyrum City's current impact fees without irrigation water are Zone 1 - \$3,161; Zone 2 - \$4,469; and Zone 3 - \$5,728. The maximum impact fees allowed are Zone 1 - \$7,521.64; Zone 2 - \$10,355.63; and Zone 3 - \$12,452.63. Culinary water current and proposed impact fee for all zones is \$481.63. The City is presently working on capital facilities plans to revise culinary water impact fees. Wastewater treatment current impact fees for Zones 1 and 2 is \$2,113; and Zone 3 is \$3,380.00, however, a sewer bond credit is given reducing the impact fee in all three zones. No change of fees for Zone 1 but an additional fee of \$1,234 is recommended for certain areas in Zones 2 and 3. Currently there is not an impact fee for the electrical power, however, the maximum impact fee for 200 amp residential service is \$4,753, the recommendation from City staff is at 60% of the maximum impact fee, which is \$2,852. Irrigation water impact fees have not changed since

1997, current fees are Zone 1 - \$764; Zone 2 - \$723; and Zone 3 - \$1,098. The maximum impact fee with water rights turned over to the City are Zone 1 - \$326; Zone 2 - \$1,810; and Zone 3 \$1,082. The maximum impact fee without water rights are Zone 1 - \$3,898; Zone 2 - \$5,382; and Zone 3 - \$4,654. The transportation impact fee for the construction of 300 South east of 800 East is \$1,300 the recommended fee is \$1,558, which reflects the actual cost of construction. The transportation impact fee is assessed to all new buildings east of 800 East. The current parks impact fee is \$1,800. The maximum impact fee for parks is \$2,634. A new impact fee of \$349 is recommended for public safety. This impact fee will help build a new fire station.

Leon Savage asked if the new electric substation was needed for commercial growth as well as residential.

City Administrator D. Brent Jensen said Hyrum City's load growth has been seven to eight percent for both residential and commercial.

City Engineer Craig Neeley reviewed the location and sizes of the sewer lines in the southeast area of Hyrum. The current line is not large enough to facilitate new growth in that area.

Craig Poppleton said the construction industry has slowed down over the past several months and he is concerned that the recommended impact fees will stop growth completely in Hyrum. Costs are going up dramatically and it is tough to keep passing on the fees to the consumer.

Dick Sackett said costs to build a house are increasing and the day will come when our children or grandchildren will not be able to afford a single family house and will be forced to live in apartments. The National Home Builders Association reports that when housing costs increase by \$1,000 it eliminates 10,000 people from purchasing a house. He realizes costs have increased but he suggested the City keep the impact fees at a minimum rather than setting them at the maximum fee allowed.

Roy Savage said he also wants the impact fees to be kept low. He wants to build a new house in Hyrum, but will move to a different community if he can get a bigger house for the same amount of money.

Leon Savage said the financing for the new sewer plant included projected growth estimates for the life of the sewer plant bond. If Hyrum City adopts the maximum impact fees there may not be any new growth to pay for the sewer plant and then where will the money come from to pay off the debt. He feels the City is rushing to adopt the impact fees so that it can avoid the new impact fee law that requires a City to involve the Realtors Association, Home Builders Association, etc. to participate in the impact fee process.

Troy Kartchner said before the City increases impact fees it needs to consider what is fair and the actual cost of new growth. New growth may not be the only reason for expansion of services and there maybe some costs that need to be paid by existing residents. Having an impact fee for new roads is a fair way to assess costs for a road that was developed to serve a specific area. He does not agree with the impact fee for public safety since everyone, rich or poor, deserves public safety. A public safety impact fee may be reasonable if the City was building a fire station that would serve only a specific area, but if the fire station is going to serve an entire city then the entire city should pay for it. He suggested the City continue to study the irrigation system before adjusting the fees. He is concerned about the demand additional connections will place on the pressurized irrigation system. He is completely against an impact fee for the electric utility. The electric utility should fund itself. He asked how many new homes were considered in the impact fee calculation for the southeast sewer connection. The maximum fee for the southeast sewer connection seems excessive in comparison to the potential number of houses that could be built in that specific area. It is expensive to develop ground in Hyrum because of the impact fees, the cost of installing electricity in subdivisions, and the 100' frontage requirement. He asked the City Council to consider decreasing the frontage from 100' to 82 ½'.

Jay Stocking said it is more expensive to develop a subdivision in Hyrum than other neighboring communities, because Hyrum City requires the developer to install the infrastructure for the electric utility. Rocky Mountain Power does not require a developer to pay for the electric infrastructure.

Dan Larsen said the cost of buildings lots are increasing and the only way to lower the cost of a lot is to either reduce lot sizes or lower the cost of infrastructure. Hyrum City should consider decreasing lots sizes to make development more desirable in Hyrum.

ACTION

Councilmember James made a motion at 7:25 p.m. to close the public hearing to discuss Hyrum City's capital facilities plan and impact fee analysis upon which impact fees may be based for the City's culinary and piped irrigation water systems, the wastewater (sewer) collection and treatment system, electrical system, public safety, parks, and transportation; and to consider imposing or increasing impact fees for the referenced facilities, pursuant to the provisions of the Utah Impact Fees Act. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

INTRODUCTION AND ADOPTION OF AN ORDINANCE:

ORDINANCE 08-11 - AN ORDINANCE REVISING AND ADOPTING A POLICY FOR IMPACT FEES FOR WATER, SEWER, PUBLIC SAFETY, TRANSPORTATION, PARKS, IRRIGATION, AND ELECTRICAL POWER SERVICES IN HYRUM CITY; ESTABLISHING SERVICE AREAS FOR EQUITABLE DISTRIBUTION OF IMPACT FEES; REPEALING CONFLICTING SECTIONS OF CHAPTER 3.24 OF THE HYRUM CITY MUNICIPAL CODE; AND OTHER RELATED MATTERS.

ACTION Councilmember James made a motion to adopt Ordinance 08-11 revising and adopting a policy for impact fees for water, sewer, public safety, transportation, parks, irrigation, and electrical power services in Hyrum City; establishing service areas for equitable distribution of impact fees; repealing conflicting sections of Chapter 3.24 of the Hyrum City Municipal Code; and other related matters. Councilmember Rasmussen seconded the motion.

Councilmember Rasmussen said the proposed transportation impact fee is based upon the actual cost of construction for the 300 South east of 800 East road. Before the road was built Hyrum City based its impact fee on construction estimates and now that construction is completed and in order to recover the costs for the road Hyrum City needs to increase the transportation impact fee \$258.

Councilmember James said Hyrum City is going to need a larger fire station that will replace the existing smaller one. The impact fee calculations take into consideration current and future usage.

Councilmember LaBau said impact fees allow cities to make new development pay its own way, however, the fees should be reasonable. He is concerned about the affect the maximum impact fees could have on Hyrum City's growth. The public safety impact fee should be eliminated, so that everyone pays for a new fire station, and the park impact fee could be reduced. He is also concerned about implementing an impact fee for the electric utility.

Councilmember Rasmussen said two to three years ago the City Council did not set the impact fee for parks at the maximum rate, and now Hyrum City does not have the funds to develop the property it purchased for parks.

ACTION Councilmember Rasmussen made a motion to amend Councilmember James' motion by eliminating the public safety impact fee. Councilmember James accepted Councilmember Rasmussen's amendment and all five councilmembers voted aye.

ACTION Councilmember LaBau made a motion to eliminate the

electric impact fee. The motion died due to a lack of a second.

ACTION Councilmember LaBau made a motion to decrease the park impact fee to \$2,217.00 Councilmember Felix seconded the motion and Councilmembers Felix, James, Miller, and LaBau voted aye, and Councilmember Rasmussen voted nay. The motion passed.

ACTION Mayor Howard called for a vote on Councilmember James' motion with the approved amendments and all five councilmembers voted aye.

ACTION There being no further business before the Council, the Council Meeting adjourned at 8:02 p.m.

ACTION Councilmember Rasmussen made a motion at 8:02 p.m. to reconvene City Council Meeting. Councilmember Felix seconded the motion and all five councilmembers present voted aye.

ACTION Councilmember Rasmussen made a motion to amend Ordinance 08-11 by making the ordinance effective 30 days from today. Councilmember LaBau seconded the motion and all five councilmembers voted aye.

ADJOURNMENT:

ACTION There being no further business before the Council, the Council Meeting adjourned at 8:05 p.m.

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: May 15, 2008
As Written