CENTERVILLE CITY

250 North Main · Centerville, Utah 84014-1824 · (801) 295-3477 · Fax: (801) 292-8034

Incorporated in 1915

interoffice MEMORANDUM

to:	Mayor Cutler City Council
cc:	Department Heads Planning Commission
from:	Steve H. Thacker, City Manager
subject:	City Manager's Summary of July 1, 2014 Council Meeting
date:	June 27, 2014 (Updated June 30)

5:45 **<u>Field Trip – Tour of New Water System Pump Station</u>** – We will begin the evening with a tour of the new pump station located at 70 East Chase Lane. While there we will eat dinner, including some pulled pork cooked by the Griffiths, the adjacent home owners. The homeowners in the immediate vicinity, as well as the contractor and engineers, have been invited to join us for the tour and dinner as a little celebration of this improvement to our community water system. We appreciate the Griffith's cooperation in selling the City the property for this pump station, as well as accommodating the work over an extended period of time.

7:00 **<u>Regular City Council Meeting</u>**

D. **<u>OPEN SESSION</u>** – At this point in the meeting I would like to recognize Blaine Lutz and Finance Department staff for receiving again the Certificate of Achievement for Excellence in Financial Reporting. We were notified of this recognition in the past week.

E.1. **<u>Minutes Review and Acceptance</u>** – The minutes of the June 24 Special City Council meeting are attached under this agenda item.

E.2. **<u>Adoption of Updated Storm Drain Impact Fee</u>** – City staff and consultant Fred Philpot from the firm of Lewis Young Robertson and Burningham have been working on this analysis and update since 2013. The City Council discussed this matter in several earlier meetings. Public notice has been given of this public hearing as required by State law. The recommendation is to revise the Storm Drain Impact Fee to become $3,911 per acre for both residential and commercial development. This nearly doubles the impact fee for residential development, which is currently $2,000 per acre, but is a slight decrease for commercial development, which currently is $4,000 per acre. The current fees were approved in the 1990's. After the public hearing, the City Council will consider an ordinance adopting the new fee and then a resolution amending the City Fee Schedule to include the revised fee with an effective date of October 1, 2014. State law requires a 90-day delay in the effective date upon adoption of the ordinance.

E.3. **Public Hearing – Zoning Text Amendments re: Beekeeping** – In a meeting several months ago the City Council had a brief discussion about the current prohibition of beekeeping in the Zoning Ordinances. The Council directed staff to ask the Planning Commission to initiate the formal process of amending the Zoning Ordinances to remove this prohibition. As explained in the enclosed documents, however, a majority of the Planning Commission—based upon staff research—concluded there may be justification for some regulation and that more research and study should be done. The Planning Commission, therefore, recommends denial of the enclosed ordinance which would remove the prohibition against beekeeping and recommends instead that the City Council remand the matter back to them for further study and consideration of whether some regulation is desirable. In keeping, however, with the Council's earlier direction, staff have prepared the enclosed ordinance that would accomplish their directive if they desire to proceed with the removal of this prohibition from the Zoning Ordinances.

E.4. **Reports from Community Development Director** – Cory Snyder, Community Development Director, will report on three matters. First is the issue of whether the City should implement a permit requirement for the construction of fences in residential areas. This question arose from an enforcement action several months ago relating to the location of a fence. Cory does not recommend establishing a permit procedure, but instead recommends more public education about fence location and height.

Cory will also report on the status of the Planning Commission's assignment from the City Council to study the issue of Accessory Dwelling Units as a potential housing option in our community.

Finally, Cory will report on the planning process to update the West Neighborhood Plan—in particular the area west of I-15 and south of Parrish Lane. In connection with that report, he will explain a request to end or modify the current Zoning Moratorium affecting that area. This request comes from someone who wishes to construct a building in the Evergreen Business Park.

E.5. **Certified Local Government Grant Applications** – The State History Department has informed the City that it is eligible to apply for additional CLG grant funds, even though the City was awarded a CLG grant earlier this year. Both the Landmarks Commission and the Museum Board would like to apply for more grant funds for reasons explained in the staff report. The grant, however, requires a 50 percent match from the City. Therefore, the City Council is being asked whether they will provide any funds for that purpose out of their Contingency Budget in FY 2015.

E.6. **Resolution re: Solid Waste, Recycling and Green Waste Fees** – Unfortunately, after the Council's action in the June 24 special meeting, staff realized that the fees presented in the resolution as the current fees were not actually the current fees but were earlier fees. Therefore, the proposed fees were also not correct. Staff apologizes for this mistake and has prepared another Resolution with the correct numbers. The Resolution rescinds the prior action and approves the correct fees.

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E.9. **City Council Liaison Report** – As mentioned in an earlier email to the City Council, I have scheduled Councilman Higginson to report on matters of interest from the Mosquito Abatement District and the Wasatch Integrated Waste Management District. He represents Centerville City on both Boards. Each Council Member will have opportunity every three months to report on their liaison assignments during a Council meeting.

E.10. **Miscellaneous Business** – Councilwoman Fillmore, me, Cory Snyder, Kevin Campbell and Randy Randall are all scheduled to attend a training on July 1 on the subject of "Complete Streets" sponsored by Wasatch Front Regional Council. The Council might be interested in a brief report of that training.

E.11. **Closed Meeting, if necessary** – At this time I do not know of a need for a closed meeting, but the agenda allows for that possibility.

E.12. **Appointments to boards and committees** – Mayor Cutler may recommend one or more appointments.

9:30 **Adjourn to RDA meeting** – Following their regular Council meeting, the City Council will adjourn into an RDA meeting to consider whether to fund upgrades to the I-15 pedestrian bridge to be built later this year or early next year as part of the I-15 South Davis Project. I am still waiting for cost estimates from the contractor for both a roof over the pedestrian bridge as well as wire grid fencing instead of chain link fencing.

Potential Agenda Items for July 15 City Council meeting (subject to change):

- Award bid for Community Park Expansion Phase 1
- Financial Report
- URMMA presentation
- City Manager report re: property inventory

mlm

CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REGULAR PUBLIC MEETING AT 7:00 P.M. ON TUESDAY, JULY 1, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the City Council of Centerville City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

A notebook containing supporting materials for the business agenda items is available for public inspection and review at City Hall and will be available for review at the meeting. Upon request, a citizen may obtain (without charge) the City Manager's memo summarizing the agenda business, **or may read this memo on the City's website: http://centervillepublic.novusagenda.com/.**

Tentative Time: - The times shown below are tentative and are subject to change during the meeting.

5:45 Field Trip - Tour of New Water System Pump Station at 70 East Chase Lane

7:00 **A. ROLL CALL**
(See City Manager's Memo for summary of meeting business)

B. PLEDGE OF ALLEGIANCE

C. PRAYER OR THOUGHT
Councilwoman Stephanie Ivie

7:05 **D. OPEN SESSION (This item allows for the public to comment on any subject of municipal concern, including agenda items that are not scheduled for a public hearing. Citizens are encouraged to limit their comments to two (2) minutes per person. Citizens may request a time to speak during Open Session by calling the City Recorder's office at 801-295-3477, or may make such request at the beginning of Open Session.) <u>Please state your name and city of residence.</u>**

E. **BUSINESS**

7:10 1. **MINUTES REVIEW AND ACCEPTANCE**
June 24, 2014 Special City Council meeting

(OVER)

7:10	2.	Adoption of Updated Storm Drain Impact Fee a. Presentation b. Public Hearing – Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA), and Storm Drain Impact Fee Ordinance c. Consider Ordinance No. 2014-13 Adopting Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA), and Updated Storm Drain Impact Fees d. Consider Resolution No. 2014-20 Amending the City Fee Schedule regarding Updated Storm Drain Impact Fees
7:25	3.	Public Hearing - Zoning Ordinance Text Amendments – Apiaries/ Beekeeping Amendments a. Staff Report b. Public Hearing c. Consider Zoning Ordinance Text Amendment regarding Apiaries/Beekeeping - Ordinance No. 2014-14
7:45	4.	Reports from Community Development Director a. Fence Permit concept b. Update of Accessory Dwelling Unit (ADU) public process c. Update of West Side Planning Process, including discussion about current zoning moratorium
8:30	5.	Applications for Certified Local Government Grant
8:40	6.	Adopt Resolution No. 2014-21 amending City Fee Schedule re solid waste, recycling and green waste service fees Consider Resolution No. 2014-21 amending the Centerville City Fee Schedule to increase the solid waste, recycling and green waste collection service fees
8:50	7.	Mayor's Report a. UTOPIA/Macquarie Update b. UTOPIA/First Digital Update
9:00	8.	City Manager's Report a. Parrish & Main Intersection Project update
9:10	9.	City Council Liaison Report a. Mosquito Abatement District – Councilman Higginson b. Wasatch Integrated Waste Management District – Councilman Higginson
9:20	10.	Miscellaneous Business a. Report of "Complete Streets" training received from WFRC by City officials

9:30 11. Closed meeting, if necessary, for reasons allowed by state law , including, but not limited to, the provisions of Section 52-4-205 of the Utah Open and Public Meetings Act, and for attorney-client matters that are privileged pursuant to *Utah Code Ann.* § 78B-1-137, as amended.

9:30 12. Possible action following closed meeting, including appointments to boards and committees

F. ADJOURNMENT

(Items of Interest (i.e., newspaper articles, not items on agenda)

9:30 13. **ADJOURN to RDA meeting**

Marsha L. Morrow, MMC
Centerville City Recorder

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E. BUSINESS

7:10 1. Minutes Review and Acceptance

June 24, 2014 Special City Council meeting

7:10 2. Adoption of Updated Storm Drain Impact Fees

a. Presentation
b. Public Hearing - Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA), and Storm Drain Impact Fee

Ordinance

c. Consider Ordinance No. 2014-13 Adopting Storm Drain Impact Fee Facilities Plan (IFFP); Storm Drain Impact Fee Analysis (IFA); and Updated Storm Drain Impact Fees

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a. Staff Report
b. Public Hearing
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7:45 4. Reports from Community Development Director

a. Fence Permit concept
b. Update of Accessory Dwelling Unit (ADU) public process
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8:30 5. Applications for Certified Local Government Grant

8:40 6. Adopt Resolution No. 2014-21 Amending the City Fee Schedule re Solid Waste, Recycling and Green Waste Collection Services

Consider Resolution No. 2014-21 amending the Centerville City Fee Schedule to increase the solid waste, recycling and green waste collection service fees.

8:50 7. Mayor's Report

a. UTOPIA/Macquarie Update
b. UTOPIA/First Digital Update

9:00 8. City Manager's Report

a. Parrish & Main Intersection Project update

9:10 9. City Council Liaison Report

a. Mosquito Abatement District -- Councilman Higginson
b. Wasatch Integrated Waste Management District -- Councilman Higginson

9:20 10. Miscellaneous Business

a. Report of "Complete Streets" training received from WFRC by City officials

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CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No.

Short Title: Field Trip - Tour of New Water System Pump Station at 70 East Chase Lane

Initiated By:

Scheduled Time: 5:45

SUBJECT

RECOMMENDATION

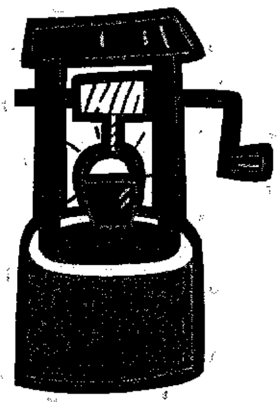
BACKGROUND

Mark Your Calendar

On

Tuesday, July 1, 2014

At 5:45 p.m.



For

Dinner &

a Tour of the New

Chase Lane Well

70 E. Chase Lane

RSVP 801-292-8232

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No.

Short Title: (See City Manager's Memo for summary of meeting business)

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

D City Manager's Summary of July 1, 2014 Council meeting

CENTERVILLE CITY

250 North Main • Centerville, Utah 84014-1824 • (801) 295-3477 • Fax: (801) 292-8034

Incorporated in 1915

Mayor
Paul A. Cutler

City Council
Ken S. Averett
Tamilyn Fillmore
John T. Higginson
Stephanie Ivie
Lawrence Wright

City Manager
Steve H. Thacker

interoffice
MEMORANDUM

to:	Mayor Cutler City Council
cc:	Department Heads Planning Commission
from:	Steve H. Thacker, City Manager S. Thacker
subject:	City Manager's Summary of July 1, 2014 Council Meeting
date:	June 27, 2014

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E.1. <u>**Minutes Review and Acceptance**</u> – I have not yet reviewed the draft minutes for the June 24 Special City Council meeting. Once I have done so and corrections made, these will be added to the NovusAgenda—hopefully by Monday.

E.2. <u>**Adoption of Updated Storm Drain Impact Fee**</u> – City staff and consultant Fred Philpot from the firm of Lewis Young Robertson and Burningham have been working on this analysis and update since 2013. The City Council discussed this matter in several earlier meetings. Public notice has been given of this public hearing as required by State law. The recommendation is to revise the Storm Drain Impact Fee to become $3,911 per acre for both residential and commercial development. This nearly doubles the impact fee for residential development, which is currently $2,000 per acre, but is a slight decrease for commercial development, which currently is $4,000 per acre. The current fees were approved in the 1990's. After the public hearing, the City Council will consider an ordinance adopting the new fee and then a resolution amending the City Fee Schedule to include the revised fee with an effective date of October 1, 2014. State law requires a 90-day delay in the effective date upon adoption of the ordinance.

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Potential Agenda Items for July 15 City Council meeting (subject to change):

- Award bid for Community Park Expansion Phase 1
- Financial Report
- Review revisions to drainage rates study/recommendations
- URMMA presentation

mlm

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No.

Short Title: Councilwoman Stephanie Ivie

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time: 7:10

SUBJECT

June 24, 2014 Special City Council meeting

RECOMMENDATION

BACKGROUND

PRELIMINARY DRAFT

Minutes of the Centerville **City Council** special meeting held Tuesday, June 24, 2014 at 7:00 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken S. Averett Tamilyn Fillmore John T. Higginson Stephanie Ivie Lawrence Wright
STAFF PRESENT	Steve Thacker, City Manager Blaine Lutz, Finance Director/Assistant City Manager Lisa Romney, City Attorney Jacob Smith, Management Assistant David Miller, Justice Court Judge (left at 7:10 p.m.) Lisa Summers, Youth Council Advisor (left at 7:10 p.m.) Katie Rust, Recording Secretary
VISITORS	Interested citizens (see attached sign-in sheet)

PLEDGE OF ALLEGIANCE

PRAYER OR THOUGHT Councilman Ken Averett

YOUTH CITY COUNCIL

Lisa Summers, Youth Council Advisor, introduced the Youth Mayor and new Youth Council members, who were then sworn in by Justice Court Judge David Miller:

Jessica Greer, Youth Mayor	Sarah Cutler
Abigail Wadley	Lyndsey Kunzler
Nathanial McDonald	Spencer Vorgrenic
Annelise Horlacher	Braden Brown
Thomas Newman	Hannah Klein
Peter Jeppsen	Abbie Hodgson
Ayden Richards	

Continuing Youth Council members:

Brenna Wilkinson	Jens Fillmore
Brittany McDonald	Jeremiah Moore
Eli Bangerter	Joe Moore
Emma Kimball	Jordan Hawkes
Jake Garn	Rachel Creer
Jenna Lewis	Valerie Beer

OPEN SESSION

Mayor Cutler explained that an open session was not included on the agenda for the special meeting, but he would like to hold an open session to make sure all citizens who want to comment have the opportunity.

Dan Lowen – Mr. Lowen asked if any competitive bids against UTOPIA were originally considered. He asked if he would have to pay the proposed utility fee or tax if he would prefer to stay with CenturyLink. He stated he feels imposing a telecommunications utility fee would take away his freedom of choice. He does not use a television and has no computer. He added that the Council members are representatives of all citizens, not chosen to dictate what citizens need. Mr. Lowen asked if the elected officials revealed they would give a tax increase when campaigning, and stated that many families cannot afford it.

Ann Fadel – Ms. Fadel, a member of the Citizen Advisory Committee, stated she is opposed to Macquarie and going forward to Milestone Two.

Richard Allred – Mr. Allred is currently a UTOPIA customer. He asked what happens to the infrastructure investments if Centerville opts out, and what happens to the existing debt.

Matthew Callison – Mr. Callison stated he is looking to the Council for leadership going into the future. There are a lot of questions he would like answers to, and it seems like the only way to get those answers is to move forward. Mr. Callison said he knows his tax dollars help pay for the schools. He is not married and does not have children, but stated he feels it is his job as a citizen to help the community at large. He agreed with a previous comment that the Council members represent everyone in the city. Just as citizens without children help pay for schools, citizens without internet would help pay for fiber, on which any company can provide service. Rather than removing choice, it would be providing choice. CenturyLink and Comcast are monopolies with their own dedicated lines. Mr. Callison stated he trusts the elected officials to use their best judgment and get the information needed to make a decision.

Steve Gurch – Mr. Gurch stated he feels the issue comes down to the fundamental principle of whether money should be taken from one group of people and given to another. He said he does not want UTOPIA and should not have to pay for UTOPIA. He asked the Council not to put him in bondage for a service he does not want.

Dave Peterson – Mr. Peterson stated it is his belief and the belief of his entire neighborhood that a forced choice is not a choice, and now is not the time to move forward with the decision. He said there are too many unanswered questions, and suggested the Council vote no until all the questions have been answered.

Kyle Green – Mr. Green thanked the Council members who responded to the email he sent. He recently purchased a home in Centerville connected to UTOPIA, but said he will be disconnecting UTOPIA from the home based on the belief that a decision was made to force every homeowner into paying for an infrastructure that was already provided via other avenues. Mr. Green said he believes choosing to incur another $30,000 to get more research is a bad idea, and asked why Macquarie is not paying for the research themselves. He said he already pays every month in taxes to the UTOPIA infrastructure he was told during the elections was going great.

Ken Gardner – Mr. Gardner said he is a prospective Centerville resident trying to find out which cities are moving forward. He stated he thinks Centerville is a great community. UTOPIA has a lot to do with his decision of where to move. He wants to find the most efficient, most modern city. He complimented the Council members on how they represent the community.

Blane Roskelley – Mr. Roskelley thanked the Mayor and City Council for the extended time put into community issues. He said if he could afford UTOPIA he would have it. However, when a government partners with private enterprise in this manner it affects everyone for years to come. He commented there are community members who worry about having enough money from month to month. He stated he believes the proposal is a tax, not a fee. The Council has an obligation to take care of the City's money for the greater good of the community.

Paul Mortensen – Mr. Mortensen stated the opinion that at the end of Milestone Two, after spending another $30,000, the Council will not know any more about the situation than it does now. He said as a citizen he does not want to spend more per month in the future than he already is. He stated he feels the recommendation of the Advisory Committee was a political cover, and the Council should kill it once and for all.

Daniel Ditto – Mr. Ditto is a member of the Citizen Advisory Committee. He said he spent many, many hours studying the issue. He stated that to accuse the Committee of giving the Council political cover is an incredible affront. The Committee members spent many hours serving the community and determining the facts of the issue to present to the City. Mr. Ditto asked that citizens not accuse the Committee members of being political pawns.

Robert Eckel – Mr. Eckel said the deciding factor for him in moving to Centerville was UTOPIA. He is happy to pay for his service, but stated he is uncomfortable with a fee that everyone would have to pay. Mr. Eckel said he would vote against the utility fee proposal, but added that the Council should consider moving forward to Milestone Two if they think the proposal could be improved.

Kes Armstrong – Mr. Armstrong encouraged the Council to move forward to Milestone Two. He said he feels the technology of the future will not be on copper or wireless. Mr. Armstrong works for HP, which recently announced a product that would require a light connection. He acknowledged that Macquarie is looking for a return and would be entitled to it, and said he likes that they would take care of and expand the network rather than what we have now, which is something of no value. Mr. Armstrong expressed appreciation for the Advisory Committee and their time spent.

Rob Oakes – Mr. Oakes expressed gratitude for the time the Council has taken, and said he finds it incredibly offensive that community members would feel the need to offend. He stated the correct action is not clear. Mr. Oakes said we don't know what we need to know, and we need to move forward to Milestone Two to protect the investment Centerville has made and is saddled with for the next 25 years. At the end of Milestone Two if the network is fragmented, Centerville would have something that is not worth very much. He spoke in favor of partnering with the other cities, and said that meeting the obligations Centerville has made is enough reason to move forward. Mr. Oakes continued that at public meetings it is easy to get a skewed perspective of public opinion. It is easy for those who are angry to show up and comment, but those who are happy with their service do not feel incentive to attend. He said he believes there are more voices in favor than have been heard at the meeting.

David Pasket – Mr. Pasket stated he is happy with his choice to become a UTOPIA customer, but he is uncomfortable with the idea of forcing a fee on others and not giving them the choice.

Vaughn Armstrong – Mr. Armstrong said he is a happy UTOPIA customer. He does not think change is a good idea if it will cost more for everyone.

Russ Wilding – Mr. Wilding agreed with the comment that it should be a personal choice. High speed internet is already available if citizens want to pay for it. If the City goes down this path it takes away the choice. He said he does not feel the proposed basic service for the utility fee would be worthwhile to members of the community.

Travis Mueller – Mr. Mueller spoke in support of moving forward. He said he can see a lot of value in it for the City as a whole, and it is important to look at it from a bird's-eye view. He is currently a UTOPIA customer, and he believes UTOPIA brings competition to the market. He encouraged the Council to at least move forward to investigate more.

Daniel Chambers – Mr. Chambers said he is a happy UTOPIA customer. The availability of UTOPIA was part of the reason he chose to move to Centerville. He said he feels it will be necessary for the internet in the future. Mr. Chambers recognized that others may feel differently, but said it is his opinion the City should move forward to find out the options. He expressed a hope that the basic service could be better than proposed. He runs a small business in Centerville and feels the connection is important for businesses.

Garth Heer – Mr. Heer said the Council is not voting on whether or not to use UTOPIA, they are voting on whether or not to fund another study to find out more from Macquarie. The Macquarie proposal includes a utility fee whether it is used by citizens or not, which flies in the face of citizens' liberties and freedoms to choose. He suggested the City would be better off taking the $30,000 and developing a proper RFP (request for proposals) to properly compare and make a decision. Mr. Heer recommended the Council not vote in favor of Milestone Two, and stated the City should never have become involved in private enterprise in the first place.

Holly Ince – Ms. Ince stated this is not the role government should be taking, competing against other enterprises. She said she feels the City should not be taxing people for something they don't want. Ms. Ince stated she does not want UTOPIA, and would rather pay Comcast more and not have the government involved.

Steve Allen – Mr. Allen emphasized that everyone in the City subsidizes the UTOPIA service for those who are connected.

Mayor Cutler thanked the citizens for their comments, including those who shared comments in writing or at previous meetings. He especially thanked those who made an effort to become educated and understand the very complex issue.

MINUTES REVIEW AND ACCEPTANCE

The minutes of the June 3, 2014 work session and regular Council meeting, and the June 17, 2014 work session and regular Council meeting were reviewed. Councilwoman Fillmore requested a correction to the June 3 Council meeting minutes. Councilwoman Ivie requested an addition to the June 17 Council meeting minutes. Councilman Higginson made a **motion** to approve both sets of work session minutes, and both sets of Council meeting minutes as amended. Councilman Wright seconded the motion. Councilwoman Fillmore made a **motion** to amend the motion to add language to the June 17 Council meeting minutes. Councilman Wright seconded the motion to amend. The amended motion passed unanimously (5-0).

ADOPT CERTIFIED TAX RATE

Mayor Cutler explained that State law does not allow cities to collect more property tax revenue than was collected the previous year, except for new growth. The rate must be adjusted each year, and the City relies on the State to set the official tax rate. Blaine Lutz, Finance Director, explained that the amount in the FY 2015 Budget needs to be adjusted down to match the actual Certified Rate, which is lower than expected. Mr. Lutz has asked the County to re-verify the amounts, but said he does not expect the numbers to be changed this year. He emphasized that it takes time for new growth to be reflected in the records. Staff does not recommend going through the Truth in Taxation process to increase the rate. Mayor Cutler reminded those present that the Centerville property tax rate has not been increased in 20 years and is less than half the property tax rate in Farmington.

Councilman Wright made a **motion** to adopt Resolution No. 2014-15 regarding the Certified Tax Rate, with the addition of the word "property" to clearly reflect that it is the 2014 Property Tax Rate. Councilman Higginson seconded the motion. Mr. Lutz stated he will continue to talk to the County about re-verifying the numbers. The motion passed by unanimous vote (5-0). Mayor Cutler stated that property tax revenue is a diminishing portion of the City's General Fund.

AMEND CENTERVILLE CITY FEE SCHEDULE

The City's contract with ACE Disposal entitles ACE to increase their charge in accordance with the Western States CPI, which increased 1.5% over the past year. Mr. Thacker reported that the City's cost for disposal of waste at the burn plant/landfill does not increase. Therefore, the actual increases in the fees paid by the customers will be 0.87% for solid waste, 1.35% for recycling, and 1.03% for green waste.

Councilwoman Fillmore made a **motion** to approve Resolution No. 2014-19 increasing the monthly rates for solid waste, recycling and green waste in accordance with the contract with ACE Disposal. Councilman Higginson seconded the motion. Councilman Wright stated he feels it is important to look at potential competitors when it comes time for contract renewal to get the lowest price for the service. Mr. Thacker responded that the City is not at the end of its multi-year contract with ACE Disposal. Councilwoman Ivie repeated a request made at a previous meeting that a representative of ACE Disposal visit and give a presentation. A majority of the Council indicated a desire to hear from a representative of ACE Disposal, and Mr. Lutz agreed to contact ACE. The motion passed by unanimous vote (5-0).

UTOPIA/MACQUARIE PROPOSAL

Mayor Cutler explained that a tremendous amount of time has been spent considering the UTOPIA/Macquarie issue. At the Council meeting on June 17, 2014 the Citizen Advisory Committee made a presentation. The Committee did not endorse the Macquarie proposal, but recommended moving to Milestone Two to obtain more information. The Mayor emphasized that this is a complex and volatile issue in the community. He stated he does not like the idea of a utility fee any more than anyone else, but said in his opinion the Macquarie proposal would go a long way to solving the financial problems of UTOPIA. The City is currently paying essentially the equivalent of $10-$12 per month per household as part of the City's responsibility as a 4% owner of UTOPIA. UTOPIA is owned wholly by the cities. The Mayor reminded the Council that the costs to abandon the project are significant because of its structure. Members of the UTOPIA Board have tried to solicit other options for years. Mayor Cutler said he has personally met with venture capitalists and ISPs involved with UTOPIA asking for creative solutions, and he contacted Google asking if they would be interested in purchasing the network. He has not yet received a response from Google. The Centerville Board members, Mayor Cutler and Blaine Lutz, along with representatives from other smaller cities, suggested a formal Request For Proposals (RFP), but the UTOPIA Board felt the current proposal process with Macquarie should be completed before requesting further proposals. The Board did vote to consider proposals already in the works, including a concept proposal from First Digital, the details of which are not yet public. Mayor Cutler expressed a hope that the First Digital details will be made public before the end of July. The Mayor stated he would prefer a non-utility fee option, but he feels there is a lot of value in moving to Milestone Two and having a seat at the negotiating table to work out the best options for Centerville.

Councilman Averett asked why the Board agreed to a fee per Milestone. Mayor Cutler clarified that those fees only come into play if Macquarie and UTOPIA do not agree to any kind of contract. He continued it is his understanding that it is relatively common in public private partnership negotiations to share the costs with escalated fees as negotiations continue. Councilman Wright asked Mr. Lutz to clarify the fee amount, which he understands is $16,000 for Milestone One and approximately $30,000 for Milestone Two, but could be $20,000 more depending on how many cities participate in Milestone Two. Mr. Lutz agreed it is somewhat unknown at this time how the costs will break down, but the fees would not be assessed unless Macquarie leaves the negotiation process with no deal with UTOPIA. Councilwoman Fillmore stated she understands it is standard procedure to have a financial obligation exit strategy in these types of negotiations. The Council discussed the potential fees associated with different participation scenarios. Councilwoman Fillmore said she feels there has been a lack of push-back on the terms, and suggested if the Council votes to move forward to Milestone Two they set a maximum amount the City would pay in exit fees. She added that the consequences of opting out are probably less than 1% of the amount associated with the life of the financial commitment.

Councilman Averett asked if the Milestone fees are intended to wholly compensate Macquarie for their costs, or if they are just a portion of their expenses. Mayor Cutler stated it is his understanding the Milestone One fee only covers outside costs, the Milestone Two fee would allow Macquarie to recover external costs as well as some internal costs. The Mayor said he believes Macquarie has spent several hundred thousand that they will not recover.

Councilman Averett said he has heard from several citizens that the proposed basic service is inadequate. He asked if the basic service can be improved during negotiations so that the average citizen does not have to buy up. Mayor Cutler stated he cannot speak for Macquarie, but Macquarie representatives have stated that the amount of service is absolutely negotiable. The key will be to find a balance between providing value for a basic fee and still entice citizens to upgrade. Councilwoman Fillmore asked about West Valley's proposal to add phone to their basic service. Mr. Lutz explained that West Valley proposes to provide the necessary boxes for the phone service to any citizens who want them, with the cost for the boxes coming out of West Valley's General Fund. Centerville has not investigated that option.

Councilwoman Ivie stated she has heard Mayor Cutler say on several occasions that the original UTOPIA decision was a mistake. She asked the Mayor what portion was a mistake. Mayor Cutler responded that Centerville joined UTOPIA before he was elected to the City Council. At the time the decision was made there were significant areas in the City that did not have access to DSL or Comcast. There were areas of the business park that were completely underserved, with many residents clamoring for better service. The Mayor said his statement that he regrets the decision referred not to the decision to build a fiber network, but referred to the fact that not enough provisions were made in the financial decisions in case something went wrong. He regrets not speaking up louder regarding his concerns that there were problems that needed to be resolved early on. He also explained some of the factors that were outside the control of the UTOPIA Board. The Mayor said he feels the network provides value to businesses and citizens. Mayor Cutler stated it does not look like it was financially worth it right now, but it may look different in the future. The decision was made, and now the cities need to decide what to do moving forward.

Councilwoman Fillmore said there seems to be some confusion regarding the question of UTOPIA existing to begin with, and the fact that it exists and is hurting the City financially. The Council has the difficult task of deciding how to move forward with this complex issue. She stated that Centerville is inextricably tied to the other cities, and has to have real options to move forward with. Councilwoman Fillmore suggested it would be worthwhile for the Committee to present again the financial section of their presentation to remind the Council of the options and possible consequences. She also suggested the Council make a list of findings or reasons for either moving forward or not moving forward, similar to what is done in the Planning Commission. There was not a majority of the Council desiring to hear the Advisory Committee's financial presentation again prior to making the decision.

Councilman Wright stated he appreciates what the Committee has done and what the community has done in trying to make sense of the decision. He said he feels there has been disconnect between the instructions and the intent. Councilman Wright quoted from the minutes of the June 3rd Council meeting: "Mayor Cutler emphasized that the vote the Council will take in June is whether to continue to investigate the Macquarie proposal, which has a cost associated with it, or reject the proposal outright." Councilman Wright disagreed with the idea that the decision to be made is related to discovery. He then quoted from an email sent by Macquarie Senior Vice President Duncan Rammage: "To be clear, a vote to proceed to Milestone Two is a vote to proceed with the utility fee model. We will not be proposing a different model. Our involvement requires a utility fee. By the end of the week, we will know how many cities are ready to proceed with the model." Councilman Wright stated he feels the decision is whether or not the Council intends to go forward with the utility fee model. Mayor Cutler added that the email from Mr. Rammage states that after the details regarding the cities that opt in are worked out, Macquarie will look for ways to address the cities that opt out. Councilman Wright stated he hopes the intent of this Council is not to go forward with the utility fee model. He said he is sure there will be other options available.

Councilman Higginson stated he has personally, unscientifically computed that 10% of the citizens who have commented have expressed they would say yes to Macquarie, 25% have indicated they would say yes to Milestone Two, 28% have indicated they would say no to Macquarie, and 37% have indicated they would say no to a utility fee. He continued he would guess that across those categories 90% would be against a utility fee model. Councilman Higginson said he does not think he can support a utility fee, but he does support looking further at Macquarie because he feels there will be other proposals made. He stated the goal of the Council is to ensure that UTOPIA does not go dark for the citizens that want it. He expressed appreciation for the Committee's time and agreed that the City needs to explore more, but said he thinks time will provide more answers.

Councilwoman Fillmore read from the email written by Mr. Rammage of Macquarie: "We are happy to try to find a solution for opt out cities, but that will be secondary to moving forward with the opt in cities. Opt out cities should not be voting to progress to Milestone Two and will not continue to participate in the formulation of the deal in the same way. We need to know what we are working with and we need everyone heading in the same direction as we proceed." Councilwoman Fillmore stated she is a realist and a fiscal conservative, and if the City is going to decide to opt out she wants answers as to where that leaves the City. She repeated that Centerville is inextricably tied to the other cities, and if the other cities move forward and Centerville does not she is concerned it will cost very real dollars. She asked Councilman Higginson what he thinks the consequences of opting out would be.

Councilman Higginson responded he thinks the consequences could be good for Centerville in a way. Macquarie knows that to build out Centerville would be a fraction of the cost to build out some of the other cities. He said he does not believe Macquarie will walk away from the relatively inexpensive build out and revenue. He suggested Centerville could reach out to Lindon and Murray, as opt out cities, and partner with them in exploring other options that would be mutually beneficial. Councilman Higginson said that Centerville is an attractive piece of UTOPIA. He believes the City is in a good position and that other proposals will come. Mayor Cutler commented that Centerville does not own the assets. The assets and subscriber contracts are owned by UTOPIA and UIA, but at this time Centerville has influence. He suggested the influence could be better used with a seat at the table, but he respects the other opinions that have been expressed. The Mayor added that Centerville cannot take its subscriber revenue and go to First Digital without an agreement among the eleven cities.

Councilman Wright mentioned that Representative Barrus has expressed he is not in favor of moving ahead with the utility fee model, and that Representative Barrus said if UTOPIA proceeds with the current proposal he will recommend the State require a separate UTOPIA utility fee, separate from the other utility fees that are collected. Councilman Wright said that in his opinion most community members, himself included, would vote with their pocket book and just not pay the utility fee, and the City may not be able to make the availability payment. Mayor Cutler stated the incumbents have a lot of friends at the Legislature who would like to block any successful municipal attempt at fiber. Councilwoman Fillmore agreed that perhaps government overstepped its role in beginning UTOPIA in the first place but the question now is determining the proper role of government in solving the problem. Selling the network or agreeing to any proposal that closes the network at all is something she could not in good conscience vote for, because it would be helping create a monopoly. UTOPIA is infrastructure that increases the ability of the private market to work by increasing competition. She said that Representative Barrus and other Legislators have stated they would prefer an open network over a closed network. Councilman Wright responded that what Councilwoman Fillmore said has tremendous merit, and suggested the Council ask the Committee to help in coming up with governing principles that will help the City make future decisions with respect to the network. The openness of the network is one of those principles. Councilman Wright continued that the focus right now should be whether or not the City wants to adopt a utility fee model.

Councilwoman Ivie quoted the first line of the email addressed to the Mayor from Mr. Rammage: "Yes, that's our final answer." Councilwoman Ivie stated the opinion that Macquarie will not come back with another proposal that does not include a utility fee just because Centerville says they don't want a utility fee. It is important to her that the citizens who have voted with their pocket books and their comments know that they have friends on the City Council who heard them.

Councilman Averett stated he looks at it differently. He said that everyone present is at a shareholders meeting, with the Council members acting as the Board of Directors. Centerville owns 3.3% of UTOPIA. He said that every citizen is writing a check to UTOPIA every month whether they know it or not. The overreach of government has already happened. Councilman Averett stated the City has a problem and needs to decide how to fix it. He said the question at hand is not whether or not fiber should be a utility. The question at hand is deciding what to do with a half-billion dollar deficit utility company. The proposal suggests a way to take UTOPIA and make it profitable. To do nothing costs money as well. Councilman Averett said he has voted no on UTOPIA consistently for six years. He has had zero confidence in UTOPIA from the beginning. Referring to the question of why another company has not stepped up with a proposal he responded that UTOPIA is a company with a half-billion dollars in debt operating in a politically hostile environment with the Legislature, local government, and Taxpayer's Association, and an environment that makes installation difficult for half of the year. One company has said they would take it on. Macquarie has a proven track record and is well funded. Councilman Averett said the City should seriously take a look at it, as it may be the only chance. The debt obligation does not go away if they do nothing and UTOPIA goes dark. He said the best solution that has been offered by opposition to the Macquarie proposal is to clean house at UTOPIA and start again with new management, which would require time and money. Councilman Averett said he can see two choices. With the Macquarie proposal citizens would pay for a premium service, which would allow the City to pay the original debt and have an asset worth more in the future than it is today. To do the opposite and let UTOPIA go dark is to spend more money on an exit strategy for UTOPIA and operating expenses, and have nothing at the end of the day. Councilman Averett said he has struggled with the utility fee, but feels Macquarie should be seriously considered as the best chance so far of making it successful. To continue with UTOPIA managing UTOPIA does not work.

Councilwoman Ivie referred to an email between Mayor Cutler and Councilman Wright regarding the use of influence on the UTOPIA Board by unelected officials. Councilwoman Ivie asked who hired City staff members to work on UTOPIA when they are supposed to be doing City work. Mayor Cutler responded that the Centerville City Council appointed a staff member to serve on the Board, and suggested Councilwoman Ivie could make a motion to change that situation at any time. The Mayor clarified that the unelected officials referred to in the email are the city managers of other cities who have been directed by their city councils to pursue the Macquarie proposal. Councilwoman Ivie asked about the funds in the Telecommunications Budget designated for administrative and professional services. Mr. Lutz explained the administrative and professional services in the Telecommunications Budget. Mayor Cutler stated that UTOPIA has a policy that none of the Board members are personally compensated. The City has not been compensated for staff time spent on the proposal.

Councilwoman Fillmore commented that the big cities with the majority of the votes on the UTOPIA Board have made clear they are determined to go forward at this point, which she feels makes the decision for the City since Centerville is inextricably tied to UTOPIA. She said she would be concerned if the other cities move forward and Centerville is not at the table. Councilwoman Ivie responded that Centerville has had a voice at the table all along and all it got the City was a mandatory utility fee model. Mayor Cutler suggested the Council wait a month for another proposal that will be a direct result of the City's efforts. Councilwoman Fillmore stated she does not feel comfortable dismissing the current proposal before knowing what the other options might be. She expressed a worry that any other options might not include an open network, and stated that going dark or maintaining the status quo does not serve the citizens or the City's budget well.

Responding to Councilman Averett's comments, Councilman Higginson said he understands the City has a debt, and he fully expects to continue paying on the debt even if the Council chooses not to move forward to Milestone Two. He said a few residents have suggested to him they would prefer the City say that an assessment is needed to help pay the debt, rather than force every home to become connected and pay a utility fee. Councilman Higginson said he is not sure everyone against the utility fee model feels that way, but it is the way he thinks the government should operate. Councilwoman Ivie agreed, continuing by stating that anytime you have to say "the end justifies the means", government has gotten out of hand. Councilman Wright stated he believes we have some very intelligent people who will come up with options to keep the network alive. He said it is in the City's best interest, and the City has an obligation to keep it alive. Councilman Wright continued that the question is whether or not to impose a utility fee the City does not have control over. He guaranteed that, left in the hands of the cities, the utility fee would be increased in the future for reasons other than the inflation index. Councilman Wright said he thinks there is a future for UTOPIA that does not include this Macquarie proposal. Macquarie may decide to modify the proposal. He said the Council is hearing from the people not to do this. Councilman Wright stated he believes the Council will send the message that the utility fee model is not compatible with the City's beliefs and who we are.

Councilwoman Ivie made a **motion** to opt out of the Milestone Two option from Macquarie so they know Centerville is not in favor of a utility fee model for the citizens. Councilman Wright suggested amending Councilwoman Ivie's motion adding that the Council adopt Resolution No. 2014-18, striking the words "UTOPIA and UIA" from the first sentence, deciding not to support moving forward with Macquarie into Milestone Two and directing the City's representatives to the Boards of Directors of UTOPIA and UIA to vote against moving forward with Macquarie into Milestone Two. Councilman Wright clarified that the City supports UTOPIA and UIA, but does not agree with moving forward with a utility fee model. Councilwoman Ivie accepted the amendment to the motion. Councilman Wright seconded the amended motion. Councilman Averett stated the deciding factor for him was the email written by Duncan Rammage that stated the utility fee was their final stance. He said he hopes there will be a different option from Macquarie, and he sincerely believes a company with outside experience needs to be involved in a situation that does not include a utility fee. Councilman Higginson agreed, continuing that Macquarie is the only option right now, but he does not support the utility fee model. Councilman Higginson said he hopes the message sent is that the City is open for other options. Mayor Cutler stated that some citizens preferred the status quo UTOPIA was operating under with positive revenue growth, and the option to get UTOPIA if residents were willing to pay for the connection. The current proposal was not solicited by Centerville, but some of the larger cities have made it clear they want a change.

Councilwoman Fillmore expressed appreciation for the feedback received by the Council from the community. She said she was pleasantly surprised by the balance of responses, and disagreed with Councilman Higginson's numbers. She said she has asked for a survey to get demographic information regarding how many residents have the internet and how much they are paying. She referred to the comment made in the open session by Mr. Oakes regarding the human tendency of people who are content not being motivated to show up. She expressed surprised at the representation of citizens who have said they want to move forward to Milestone Two. Speaking for the citizens whose voice is not being heard, Councilwoman Fillmore listed the findings she put together in support of moving forward:

1. The City's voice at the UTOPIA/Macquarie negotiating table is in Centerville's best interest to be sure Centerville's specific concerns are addressed.
2. The City has entered a legal partnership with the other member cities that is inseverable until bonds are paid. It is both practical and ethical to be an honest, fair, and participating partner.
3. Success of UTOPIA as a whole is beneficial to Centerville City.
4. A partnership with Macquarie is a fiscally conservative move because: it will result in immediate savings for the City budget with the end of UTOPIA operating expenses; it has realistic potential for revenue sharing that could pay down our bond commitment; and it would most likely save money for citizens in their monthly internet bills.
5. The potential cost of moving forward (30k-50k) in further study of this option is a fraction (less than 1%) of the financial interest involved for the City.
6. Even if all cities don't agree on the method of change, the decision must be made as a group. Major changes to the structure of UTOPIA are inevitably coming. Moving forward as a participating member allows the City to influence those changes for the City's sake.
7. An open network option is essential to justify support of any deal. It would be outside government's appropriate role to make a deal with a private company that would compete in a closed way with existing companies. With Macquarie, UTOPIA has an open network proposal in hand and it is very unclear as to whether or not there will be another open network offer.
8. An open network increases choice and freedom for the City's internet users by increasing the choice of service providers.
9. There is potential in the revenue sharing aspect of the proposal, and not moving forward would mean losing access to that potential.
10. There are too many unanswered questions at this time regarding continuing service to the City's subscribers. Thirty percent of citizens chose to subscribe even with great financial barriers and limited service offerings. With removed connection fee and greater service offerings it is possible that many more citizens would desire to sign up. It is important to find out if this is the case, and how much it would cost before deciding to become a non-participating city.
11. There are important social and economic benefits that justify further exploring the idea of the Internet as a utility.
12. The Citizen Advisory Committee members have expertise in varying relevant fields and delved deeply into this proposal. Councilwoman Fillmore expressed a desire to follow their recommendation to move forward, particularly recognizing the importance of the findings of the finance subcommittee and the legal subcommittee.

Councilwoman Ivie pointed out that profit sharing is already part of the Interlocal Agreement, and the proposed take rates provided by Macquarie line up with the original proposed take rates of UTOPIA, but this time everyone would pay a utility fee. Councilman Ivie stated she is grateful to be able to say no on behalf of the families in the community who struggle financially. Mayor Cutler asked the Council members if they have any findings in support of opting out to add to the motion, and did not receive a response. The motion to opt out passed by majority vote (4-1), with Councilwoman Fillmore dissenting. The Mayor thanked the Council and the Committee for their work and the citizens for their engagement. He stated the Council will continue to work to find the best deal for Centerville given the circumstances.

ADJOURNMENT

At 9:33 p.m. Councilman Wright made a **motion** to adjourn the meeting. Councilwoman Ivie seconded the motion, which passed by unanimous vote (5-0).

Marsha L. Morrow, City Recorder

Date Approved

Katie Rust, Recording Secretary

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 2.

Short Title: Adoption of Updated Storm Drain Impact Fees

Initiated By:

Scheduled Time: 7:10

SUBJECT

a. Presentation
b. Public Hearing - Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA), and Storm Drain Impact Fee Ordinance
c. Consider Ordinance No. 2014-13 Adopting Storm Drain Impact Fee Facilities Plan (IFFP); Storm Drain Impact Fee Analysis (IFA); and Updated Storm Drain Impact Fees
d. Consider Resolution No. 2014-20 Amending the City Fee Schedule Regarding Updated Storm Drain Impact Fees

RECOMMENDATION

a. Provide Staff and consultant the opportunity to present the proposed Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA) and updated Storm Drain Impact Fees.

b. Hold a public hearing on the Storm Drain Impact Fee Facilities Plan (IFFP), Storm Drain Impact Fee Analysis (IFA), Storm Drain Impact Fee Ordinance and proposed updated Storm Drain Impact Fees.

c. Adopt Ordinance No. 2014-13 Adopting Storm Drain Impact Fee Facilities Plan (IFFP); Storm Drain Impact Fee Analysis (IFA); and Updated Storm Drain Impact Fees

d. Adopt Resolution No. 2014-20 Amending the City Fee Schedule Regarding Updated Storm Drain Impact Fees

BACKGROUND

Back in 2013, the City contracted with the consulting firm of Lewis, Young, Robertson & Burningham (LYRB) to research and review the City's Storm Drain Impact Fees and to prepare a Storm Drain Impact Fee Facilities Plan and Storm Drain Impact Fee Analysis. Fred Philpot, of LYRB, in coordination with City Staff and input from the City Council, has prepared the attached Storm Drain IFFP and IFA.

Based on the findings set forth in the Storm Drain IFFP and IFA, it is recommended that Centerville City adopt an updated Storm Drain Impact Fee in the amount of $3,911 per gross acre for both residential and commercial property. This updated impact fee will raise the current residential storm drain impact fee from $2,000 per acre and will reduce the current commercial storm drain impact fee from $4,000. A copy of the current storm drainage fees as set forth in the Fee Schedule is attached. These storm drain fees were last updated in 1997 as set forth in Ordinance No. 97-21.

Pursuant to the Utah Impact Fees Act, the City is required to hold a public hearing on the Storm Drain IFFP, IFA and Ordinance to obtain public input on the proposed analysis and updated impact fees. The City has provided notice of the public hearing as required by law.

Ordinance No. 2014-13 adopts the proposed Storm Drain IFFP and IFA, and also sets a maximum storm drain impact fee that must then be adopted as part of the City's Fee Schedule. After adoption of Ordinance No. 2014-13, it is recommended the Council approve Resolution No. 2014-20 amending the Fee Schedule to implement the new storm drain impact fee. By law, the new storm drain impact fee will not take effect until 90 days after the adoption of Ordinance No. 2014-13, or October 1, 2014. This effective date is set forth in Section 3 of the Resolution.

ATTACHMENTS:

Description

- Storm Drain IFFP and IFA
- Ordinance No. 2014-13-Storm Drain Impact Fees
- Storm Drain Impact Fee-Service Area Map
- Resolution No. 2014-20-Storm Drain Impact Fees
- Storm Drain Impact Fees - Current

LYRB

2014 STORM DRAIN IMPACT FEE ANALYSIS

CENTERVILLE CITY, UTAH

JULY 2014

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.

LYRB

IMPACT FEE ANALYSIS

- **Service Area:**
  - Single City-wide service area

- **Demand Analysis:**
  - 208 Acres Served by IFFP Projects, 625 Undeveloped Total Acres

- **Existing Facilities & Buy In**
  - The City has determined that the excess capacity portion of the existing storm drain infrastructure is minimal. Thus, a buy-in component has not been calculated or included in this analysis.

- **Level of Service**
  - City Drainage systems are designed to handle the 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event.

LYRB

FUTURE FACILITIES

Storm Drain Projects

#	Description	FY Year	Total	Const. Year	City	County	UDOT	Developer	Growth
1	Legacy Trail and Sheep Rd at 1000 N. - new 72 x 44" culvert "	2015	67,000	67,000	33,500	33,500	-	-	-
2	Lund Lane - new 36 culvert at UTA / UPRR "	2015	225,000	225,000	75,000	-	-	150,000	-
3	400 East - 850 South to 700 South	2016	82,000	82,000	82,000	-	-	-	-
4	Nola Drive - 1200 North to 1350 North	2016	126,000	126,000	126,000	-	-	-	-
5	Main Street - 100 North to 50 South - Replace old 15 to 18" CMP "	2017	152,000	152,000	38,000	-	114,000	-	-
6	Main Street - Pheasant Drive to Chase Lane including crossing at Pheasant Drive - Replace old CMP	2017	253,000	253,000	63,250	-	189,750	-	-
7	Main Street - 1075 North (J.P. Stewart south property line) - replace 24 CMP w/ 36" RCP "	2017	69,000	69,000	17,250	-	51,750	-	-
8	Main Street crossing at Rigby property -replace 24 CMP w/ 24" RCP also includes new 18" system running east "	2018	224,000	224,000	53,760	-	53,760	-	116,480
9	Main Street crossing at 1700 North (Jennings Lane) - replace 24 CMP w/ 24" RCP also includes new 18" system running east "	2018	185,000	185,000	44,400	-	44,400	-	96,200
10	Main Street - 725 South (Centerville Jr.High south property line) - replace 24 CMP "	2019	49,000	49,000	12,250	-	36,750	-	-
11	Frontage Rd - 100 South (Kohl's south property line) - replace 24 CMP w/ 36" RCP "	2019	51,000	51,000	43,860	-	-	-	7,140
12	Frontage Rd - 400 North (Parrish Lane) -replace 36 CMP "	2019	175,000	175,000	175,000	-	-	-	-
13	Frontage Rd - 625 North (McDonald's North PL) - replace 24 CMP "	2019	40,000	40,000	40,000	-	-	-	-
14	Frontage Rd - 750 North (Creekview) - replace 24 CMP "	2020	41,000	41,000	41,000	-	-	-	-

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FUTURE FACILITIES

Storm Drain Projects (Cont.)

#	Description	FY Year	Total	Const. Year	City	County	UDOT	Developer	Growth
16	Frontage Rd - 1300 N. (Community Park) -replace 42 CMP "	2020	70,000	70,000	70,000	-	-	-	-
17	Frontage Rd - 1375 N. (North PL Community Park) replace 2 - 24 possibly with one new 36" culvert at new grade "	2020	60,000	60,000	60,000	-	-	-	-
18	Frontage Rd - 1875 N. (Villa de France) -replace 24 CMP - new 36" culvert "	2021	65,000	65,000	65,000	-	-	-	-
19	Frontage Rd - 2050 N. (Lexington) - replace 24 CMP "	2021	45,000	45,000	21,600	-	-	-	23,400
20	Frontage Rd - 2150 N. (Millet) - replace 24 CMP w/ 24" RCP "	2021	49,000	49,000	23,520	-	-	-	25,480
21	Frontage Rd. - 2175 N.- replace 24 CMP w/ 24" RCP "	2021	51,000	51,000	24,480	-	-	-	26,520
22	Frontage Rd. - Air Products & Tri-City -replace 2 - 24 CMP w/ 2 - 24" RCP "	2021	75,000	75,000	36,000	-	-	-	39,000
23	UDOT Maintenance Shed - Barnard Creek -1250 West to Legacy Trail - replace 24 CMP w/ 36" RCP "	2022	160,000	160,000	80,000	40,000	40,000	-	-
24	Home Depot Storm drain, drainage ditch and Detention Basin cleaning	2022	250,000	250,000	250,000	-	-	-	-
25	I - 15 - Lund Lane - replace 24 CMP w/ 36" RCP "	2023	367,000	367,000	130,285	-	130,285	-	106,430
26	I - 15 / UTA / UPRR - Air Products & Tri-City - replace 2 - 24 CMP w/ 2 - 24" RCP "	2024	653,000	653,000	156,720	-	156,720	-	339,560
	Totals		**$3,684,000**	**$3,684,000**	**$1,804,375**	**$115,000**	**$817,415**	**$150,000**	**$797,210**

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FUTURE FACILITIES

The following footnote has been added to the project list in the IFA:

The City portion of this project (Project #2) is considered growth related. However, the existing impact fee fund balance will be used to fund this project. Thus, it is not included as a growth-related project for the purposes of calculating the future impact fee. Upon funding of this project, it is anticipated that there will be no outstanding impact fee fund balance remaining for future growth-related projects.

LYRB

FUTURE IMPACT FEE FACILITIES

	TOTAL	CITY	COUNTY	UDOT	DEVELOPER	GROWTH
Totals	$3,684,000	$1,804,375	$115,000	$817,415	$150,000	$797,210

Impact Fee Includes Only the Growth Related Portion of Future Storm Drain Projects

- **Financing Mechanism:** **Assumes Pay-As-You-Go**

LYRB

STORM DRAIN IMPACT FEE

❖ **Recommended Impact Fee (without Inflation)**

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-	100%	-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$16,200	100%	$16,200	208	$78
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	**$813,410**		**$813,410**		**$3,911**

STORM DRAIN
IMPACT FEE FACILITIES PLAN (IFFP)
AND IMPACT FEE ANALYSIS (IFA)

CENTERVILLE CITY

JUNE 2014

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
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IMPACT FEE CERTIFICATION

IFFP CERTIFICATION

Lewis Young Robertson & Burningham, Inc. and Centerville City jointly certify that the Impact Fee Facilities Plan ("IFFP") prepared for storm drain services:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and
3. complies in each and every relevant respect with the Impact Fees Act.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.
CENTERVILLE CITY

IFA CERTIFICATION

Lewis Young Robertson & Burningham, Inc. certifies that the Impact Fee Analysis ("IFA") prepared for storm drain services:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
    d. offsets costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

Lewis Young Robertson & Burningham, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementation of the IFFP made in the IFFP documents or in the IFA documents are followed by City Staff and elected officials.
2. If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.
3. All information provided to LYRB is assumed to be correct, complete, and accurate. This includes information provided by the City as well as outside sources.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

SECTION 1: EXECUTIVE SUMMARY

The purpose of the Storm Drain Impact Fee Facilities Plan ("IFFP"), with supporting Impact Fee Analysis ("IFA"), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the "Impact Fees Act," and help Centerville City (the "City") plan necessary capital improvements for future growth. This document will address the future storm drain infrastructure needed to serve the City through the next six to ten years, as well as the appropriate impact fees the City may charge to new growth to maintain the level of service ("LOS"). The **Centerville City Drainage Master Plan Update 2014**, along with information from the City, provides the information utilized in the analysis for the purposes of calculating impact fees.

- **Impact Fee Service Area:** The service area for storm drain impact fees includes all areas within the City. This document identifies capital projects that will help to maintain the same level of service enjoyed by existing residents into the future.
- **Demand Analysis:** The demand unit utilized in this analysis is acres of residential and commercial land. As residential and commercial growth occurs within the City, it generates an impact on the storm drain system. The storm drain capital improvements identified in this study are based on maintaining the current level of service.
- **Level of Service:** The existing and proposed level of service for the City's storm system is based on a 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event. This is the basic level of service that is being provided to the residents at this time.[1]
- **Excess Capacity:** While the storm drain system may have excess in individual lines, it was determined that system-wide excess capacity is minimal or too difficult to evaluate. As a result, the City has chosen to exclude a buy-in portion within the calculation of the impact fee.
- **Capital Facilities Analysis:** Due to the projected growth within the City, approximately $3,684,000 of future storm drain improvements will be needed in the next ten years. Approximately $797,210 is attributed to growth.
- **Outstanding Debt:** Since a buy-in component is not contemplated in this analysis, the interest cost associated with any outstanding storm bond obligations has not been included in the calculation of the impact fee.
- **Funding of Future Facilities:** This analysis assumes future growth related facilities will be funded through a combination of utility revenues and impact fee revenues.

PROPOSED STORM DRAIN IMPACT FEE

The storm drain impact fees proposed in this analysis will be assessed within all areas of the City. The tables below illustrate the appropriate fee associated with storm drain projects occurring within the next ten years.

TABLE 1.1: IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-	-	-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$16,200	100%	$16,200	208	$78
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	$813,410		$813,410		$3,911

[1] Storm Drain Master Plan Update 2014, Executive Summary, page 2

TABLE 1.2: IMPACT FEE CHANGE

IMPACT FEE SUMMARY	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

NON-STANDARD STORM DRAIN IMPACT FEES

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.[2] This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact than what is standard for its land use.

[2] 11-36a-402(1)(c)

SECTION 2: GENERAL IMPACT FEE METHODOLOGY

The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFFP and IFA. The IFFP is designed to identify the demands placed upon the City's existing facilities by future development and evaluate how these demands will be met by the City. The IFFP is also intended to outline the improvements which are intended to be funded by impact fees. The IFA is designed to proportionately allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. Each component must consider the historic level of service provided to existing development and ensure that impact fees are not used to raise that level of service. The following elements are important considerations when completing an IFFP and IFA.

FIGURE 2.1: IMPACT FEE METHODOLOGY

DEMAND ANALYSIS

LOS ANALYSIS

EXISTING FACILITIES ANALYSIS

FUTURE FACILITIES ANALYSIS

FINANCING STRATEGY

PROPORTIONATE SHARE ANALYSIS

DEMAND ANALYSIS

The demand analysis serves as the foundation for the IFFP. This element focuses on a specific demand unit related to each public service – the existing demand on public facilities and the future demand as a result of new development that will impact system facilities.

LEVEL OF SERVICE ANALYSIS

The demand placed upon existing public facilities by existing development is known as the existing "Level of Service" ("LOS"). Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the level of service which is provided to a community's existing residents and ensures that future facilities maintain these standards. Any excess capacity identified within existing facilities can be apportioned to new development. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

EXISTING FACILITY INVENTORY

In order to quantify the demands placed upon existing public facilities by new development activity, to the extent possible the Impact Fee Facilities Plan provides an inventory of the City's existing **system** facilities. The inventory valuation should include the original construction cost and estimated useful life of each facility. The inventory of existing facilities is important to properly determine the excess capacity of existing facilities and the utilization of excess capacity by new development.

FUTURE CAPITAL FACILITIES ANALYSIS

The demand analysis, existing facility inventory and LOS analysis allow for the development of a list of capital projects necessary to serve new growth and to maintain the existing system. This list includes any excess capacity of existing facilities as well as future **system improvements** necessary to maintain the level of service. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

FINANCING STRATEGY

This analysis must also include a consideration of all revenue sources, including impact fees, future debt costs, alternative funding sources and the dedication of system improvements, which may be used to finance system improvements.[3] In conjunction with this revenue analysis, there must be a determination that impact

[3] 11-36a-302(2)

fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[4]

PROPORTIONATE SHARE ANALYSIS

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, clearly detailing each cost component and the methodology used to calculate each impact fee. A local political subdivision or private entity may only impose impact fees on development activities when its plan for financing system improvements establishes that impact fees are necessary to achieve an equitable allocation of the costs borne in the past and to be borne in the future (UCA 11-36a-302).

[4] 11-36a-302(3)

SECTION 3: OVERVIEW OF SERVICE AREA, DEMAND, AND LOS

SERVICE AREAS

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.[5] The impact fees identified in this document will be assessed to a single, city-wide service area. It is anticipated that the growth projected over the next six to ten years and through build-out, will impact the City's existing services. Storm Drain infrastructure will need to be expanded in order to maintain the existing level of service. Impact fees have become an ideal mechanism for funding growth-related infrastructure. This analysis is designed to accurately assess the true impact of a particular user upon the City's infrastructure and prevent existing users from subsidizing new growth. This analysis also ensures that new growth isn't paying for existing system deficiencies.

DEMAND UNITS

As shown in Table 3.1, the total amount of undeveloped acres in the City equals 625 acres. Of these undeveloped acres, approximately 208 acres will be served by the proposed IFFP projects completed within the next ten years.

TABLE 3.1: CITY-WIDE GROWTH PROJECTIONS

	ACRES
Acres Developed	1,543
Acres Undeveloped	625
Acres Developed in IFFP Horizon	**208**
Source: Centerville City	

LEVEL OF SERVICE STANDARDS

Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. Therefore, it is important to identify the storm drain level of service to ensure that the new capacities of projects financed through impact fees do not exceed the established standard. The Storm Drain Master Plan states the following regarding the existing and proposed level of service:

> "In general, City Drainage systems are designed to handle the 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event. This is the basic level of service that is being provided to the residents at this time. While there are still some areas of the City that are located within the 100 year flood plain, most of the flood plains are limited to undeveloped areas in the City."[6]

[5] UC 11-36a-402(1)(a)
[6] Storm Drain Master Plan Update 2014, Executive Summary, page 2

SECTION 4: EXISTING FACILITIES INVENTORY

EXCESS CAPACITY

The intent of the equity buy-in component is to recover the costs of the unused capacity in existing infrastructure from new development. While the storm drain system may have excess capacity in individual lines, it was determined that system-wide excess capacity is minimal or too difficult to evaluate. As a result, the City has chosen to exclude a buy-in portion within the calculation of the impact fee.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded its existing capital infrastructure through a combination of different revenue sources, including general utility fund revenues, the issuance of debt, and revenues received from other governmental agencies. This analysis has removed all funding that has come from federal grants and donations from non-resident citizens to ensure that none of those infrastructure items are included in the level of service.

The City has one piece of outstanding debt related to the system's capacity: the 2012 Water Revenue and Refunding Bonds, of which approximately $945,000 is related to Storm Drain infrastructure. The Series 2012 bonds refunded the 2002A Water Revenue Bonds and the 2003 Water Revenue Bonds. A portion of these bonds were originally used to fund the existing storm drain system. However, since a buy-in component is not contemplated in this analysis, the interest cost associated with these bonds has not been included in the calculation of the impact fee.

SECTION 5: CAPITAL FACILITY ANALYSIS

The estimated costs attributed to new growth were analyzed based on existing development versus future development patterns. From this analysis, a portion of future development costs were attributed to new growth and included in this impact fee analysis as shown in Table 5.1. Capital projects related to curing existing deficiencies were not included in the calculation of the impact fees. The costs of projects related to curing existing deficiencies cannot be funded through impact fees.

Total future project costs equate to $3,684,000, as shown in the table below. Approximately $797,210 is related to new growth.

TABLE 5.1: ILLUSTRATION OF CAPITAL IMPROVEMENTS SCHEDULED TO BE COMPLETED IN THE NEXT 10 YEARS

#	DESCRIPTION	TOTAL	CITY	COUNTY	UDOT	DEVELOPER	GROWTH
1	Legacy Trail and Sheep Rd at 1000 N. - new 72 x 44" culvert "	67,000	33,500	33,500	-	-	-
2	Lund Lane - new 36 culvert at UTA / UPRR "	225,000	75,000	-	-	150,000	-
3	400 East - 850 South to 700 South	82,000	82,000	-	-	-	-
4	Nola Drive - 1200 North to 1350 North	126,000	126,000	-	-	-	-
5	Main Street - 100 North to 50 South - Replace old 15 to 18" CMP "	152,000	38,000	-	114,000	-	-
6	Main Street - Pheasant Drive to Chase Lane including crossing at Pheasant Drive - Replace old CMP	253,000	63,250	-	189,750	-	-
7	Main Street - 1075 North (J.P. Stewart south property line) - replace 24 CMP w/ 36" RCP "	69,000	17,250	-	51,750	-	-
8	Main Street crossing at Rigby property -replace 24 CMP w/ 24" RCP also includes new 18" system running east "	224,000	53,760	-	53,760	-	116,480
9	Main Street crossing at 1700 North (Jennings Lane) - replace 24 CMP w/ 24" RCP also includes new 18" system running east "	185,000	44,400	-	44,400	-	96,200
10	Main Street - 725 South (Centerville Jr.High south property line) - replace 24 CMP "	49,000	12,250	-	36,750	-	-
11	Frontage Rd - 100 South (Kohl's south property line) - replace 24 CMP w/ 36" RCP "	51,000	43,860	-	-	-	7,140
12	Frontage Rd - 400 North (Parrish Lane) -replace 36 CMP "	175,000	175,000	-	-	-	-
13	Frontage Rd - 625 North (McDonald's North PL) - replace 24 CMP "	40,000	40,000	-	-	-	-
14	Frontage Rd - 750 North (Creekview) - replace 24 CMP "	41,000	41,000	-	-	-	-
15	Frontage Rd - 1000 North (Barnard and Parrish Overflow) - new 48 culvert "	100,000	41,500	41,500	-	-	17,000
16	Frontage Rd - 1300 N. (Community Park) -replace 42 CMP "	70,000	70,000	-	-	-	-
17	Frontage Rd - 1375 N. (North PL Community Park) replace 2 - 24 possibly with one new 36" culvert at new grade "	60,000	60,000	-	-	-	-
18	Frontage Rd - 1875 N. (Villa de France) -replace 24 CMP - new 36" culvert "	65,000	65,000	-	-	-	-
19	Frontage Rd - 2050 N. (Lexington) - replace 24 CMP "	45,000	21,600	-	-	-	23,400
20	Frontage Rd - 2150 N. (Millet) - replace 24 CMP w/ 24" RCP "	49,000	23,520	-	-	-	25,480
21	Frontage Rd. - 2175 N.- replace 24 CMP w/ 24" RCP "	51,000	24,480	-	-	-	26,520
22	Frontage Rd. - Air Products & Tri-City -replace 2 - 24 CMP w/ 2 - 24" RCP "	75,000	36,000	-	-	-	39,000
23	UDOT Maintenance Shed - Barnard Creek -1250 West to Legacy Trail - replace 24 CMP w/ 36" RCP "	160,000	80,000	40,000	40,000	-	-
24	Home Depot Storm drain, drainage ditch and Detention Basin cleaning	250,000	250,000	-	-	-	-
25	I - 15 - Lund Lane - replace 24 CMP w/ 36" RCP "	367,000	130,285	-	130,285	-	106,430
26	I - 15 / UTA / UPRR - Air Products & Tri-City - replace 2 - 24 CMP w/ 2 - 24" RCP "	653,000	156,720	-	156,720	-	339,560
	Totals	$3,684,000	$1,804,375	$115,000	$817,415	$150,000	$797,210

The City has determined the projects included in this Impact Fee Facilities Plan using capital project and engineering data, planning analysis and other information. The City has provided all future capital project data including project descriptions and estimated project costs. The accuracy and correctness of this plan is contingent upon the accuracy of the data and assumptions. Any deviations or changes in the assumptions due to changes in the economy or other relevant information used by the City for this study may cause this plan to be inaccurate and require modifications.

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities designed to provide services to service areas within the community at large.[7] Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.[8] To the extent possible, this analysis only includes the costs of system improvements related to new growth within the proportionate share analysis.

FUNDING OF FUTURE FACILITIES

The IFFP must also include a consideration of all revenue sources, including impact fees and the dedication of system improvements, which may be used to finance system improvements.[9] In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[10]

In considering the funding of future facilities, the City has determined the portion of future projects that will be funded by impact fees as growth-related, system improvements. Revenues from other government agencies (i.e. Davis County and UDOT) have been identified to help offset future capital costs. If these revenues are not available in the future, the impact fee analysis should be revised.

Other revenues such as utility rate revenues, property taxes, sales tax revenues, grants, or loans can be used to fund these types of expenditures, as described below.

Utility Rate Revenues: Utility rate revenues serve as the primary funding mechanism within enterprise funds. Rates are established to ensure appropriate coverage of all operations and maintenance expenses, debt service coverage, and capital project needs. Impact fee revenues are generally considered non-operating revenues and help offset future capital costs.

Property Tax Revenues: Property tax revenues are not specifically identified in this analysis as a funding source for growth-related capital projects, but inter-fund loans can be made from the general fund which would ultimately include some property tax revenues. Inter-fund loans would be repaid once sufficient impact fee revenues have been collected. The City does not currently assess interest on money borrowed from the general fund; however, the City may adopt a policy to do so.

Grants, Donations and Other Contributions: Grants and donations are not expected as a future funding source. The impact fees should be adjusted if grant monies are received. New development may be entitled to a reimbursement for any grants or donations received by the City for growth related projects, or for developer funded IFFP projects. It is anticipated that future project improvements will be funded by the developer. These costs have been removed from the calculation of the impact fee.

Debt Financing: In the event the City has not amassed sufficient impact fees to pay for the construction of time sensitive or urgent capital projects needed to accommodate new growth, the City must look to revenue sources other than impact fees for funding. The Impact Fees Act allows for the costs related to the financing of future capital projects to be included in the impact fee. This allows the City to finance and quickly construct

[7] 11-36a-102(21)
[8] 11-36a-102(14)
[9] 11-36a-302(2)
[10] 11-36a-302(3)

infrastructure for new development and reimburse itself later from impact fee revenues for the costs of principal and interest. However, financing costs are not included in this analysis as a means to fund future projects.

PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires a local political subdivision or private entity to ensure that the impact fee enactment allows a developer, including a school district or a charter school, to receive a credit against or proportionate reimbursement of an impact fee if the developer: (a) dedicates land for a system improvement; (b) builds and dedicates some or all of a system improvement; or (c) dedicates a public facility that the local political subdivision or private entity and the developer agree will reduce the need for a system improvement.[11]

The facilities must be considered system improvements or be dedicated to the public, and offset the need for an improvement identified in the IFFP.

EQUITY OF IMPACT FEES

Impact fees are intended to recover the costs of capital infrastructure that relate to future growth. The impact fee calculations are structured for impact fees to fund 100 percent of the growth-related facilities identified in the proportionate share analysis as presented in the impact fee analysis. Even so, there may be years that impact fee revenues cannot cover the annual growth-related expenses. In those years, other revenues such as general fund revenues will be used to make up any annual deficits. Any borrowed funds are to be repaid in their entirety through impact fees.

NECESSITY OF IMPACT FEES

An entity may only impose impact fees on development activity if the entity's plan for financing system improvements establishes that impact fees are necessary to achieve parity between existing and new development. This analysis has identified the improvements to public facilities and the funding mechanisms to complete the suggested improvements. Impact fees are identified as a necessary funding mechanism to help offset the costs of new capital improvements related to new growth. In addition, alternative funding mechanisms are identified to help offset the cost of future capital improvements.

[11] 11-36a-402(2)

SECTION 6: STORM DRAIN IMPACT FEE CALCULATION

The calculation of impact fees relies upon the information contained in this analysis. Impact fees are calculated based on many variables centered on proportionality and level of service. The City currently provides storm drain services to its residents and businesses. As a result of new growth, the storm drain system is in need of expansion to perpetuate the level of service that the City has historically maintained. The Centerville City Drainage Master Plan Update 2014, along with information from the City, provides the information utilized in the analysis for the purposes of calculating impact fees.

PROPOSED STORM DRAIN IMPACT FEE

PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated based on a defined set of costs specified for future development. The improvements are identified in a capital plan as growth related projects. The total project costs are divided by the total demand units the projects are designed to serve. Under this methodology, it is important to identify the existing level of service and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality share and level of service.

STORM DRAIN IMPACT FEE CALCULATION

The storm drain impact fees proposed in this analysis will be assessed within all areas of the City. The tables below illustrate the appropriate fee associated with storm drain projects occurring within the next ten years. The proportionate share analysis determines the proportionate cost assignable to new development based on the proposed capital projects and the acres served by the proposed projects.

TABLE 6.1: IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-	-	-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$16,200	100%	$16,200	208	$78
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	**$813,410**		**$813,410**		**$3,911**

Table Notes:
Buy-In Component: System-wide excess capacity is minimal or to difficult to evaluate. Thus, a buy-in component is not included in this analysis.
Future Storm Drain Projects: Total future project costs equate to $3,684,000 in the planning horizon, of which $797,210 is related to new growth.
Proposed Financing Costs: Financing will not be used to fund future projects. Thus the cost associated with this option is not included in the analysis.
Professional Expense: Professional expenses include planning related costs and the cost to complete the impact fee analysis.
Impact Fee Fund Balance: According to the City, there is no impact fee fund balance available to offset the cost of future growth related projects.

A total of $797,210 is identified as the future growth related capital cost to maintain the level of service for new development activity. The professional expense includes the current cost to update the IFFP and IFA. The professional expense and the costs for future projects are apportioned based on the acres anticipated to be served by these facilities. The total fee per acre is estimated at **$3,911**.

TABLE 6.2: IMPACT FEE CHANGE

IMPACT FEE CONVERSION	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

NON-STANDARD STORM DRAIN IMPACT FEES

The City reserves the right under the Impact Fees Act[12] to assess an adjusted fee that more closely matches the true impact that the land use will have upon the City's storm drain system. This adjustment could result in a

[12] 11-36a-402(1)(c)

different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

CONSIDERATION OF ALL REVENUE SOURCES

The Impact Fees Act requires the proportionate share analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. See Section 5 for further discussion regarding the consideration of revenue sources.

EXPENDITURE OF IMPACT FEES

Legislation requires that impact fees should be spent or encumbered within six years after each impact fee is paid. Impact fees collected in the next five to six years should be spent only on those projects outlined in the IFFP as growth related costs to maintain the LOS.

GROWTH-DRIVEN EXTRAORDINARY COSTS

The City does not anticipate any extraordinary costs necessary to provide services to future development.

SUMMARY OF TIME PRICE DIFFERENTIAL

The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. While an inflation component may be included in the impact fee analysis to reflect the future cost of facilities, at the request of the City it is not considered in the cost estimates in this study. However, the impact fee analysis should be updated regularly to account for changes in costs estimates over time.

ORDINANCE NO. 2014-13

AN ORDINANCE ADOPTING A STORM DRAIN IMPACT FEE FACILITIES PLAN AND A STORM DRAIN IMPACT FEE ANALYSIS; ADOPTING AN AMENDED AND UPDATED STORM DRAIN IMPACT FEE; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF THE STORM DRAIN IMPACT FEES.

WHEREAS, Centerville City (the *"City"*) is a political subdivision of the State of Utah, authorized and organized under applicable provisions of Utah law; and

WHEREAS, the City has legal authority, pursuant to Title 11, Chapter 36a of the Utah Code Annotated, as amended (*"Impact Fees Act"* or *"Act"*), to impose development impact fees as a condition of development approval, which impact fees are used to defray capital infrastructure costs attributable to new development activity; and

WHEREAS, the City has previously enacted and imposed impact fees for storm drain facilities, known and referred to as the Storm Drainage Fees, as more particularly set forth in Section I.F. of the Centerville City Consolidated Fee Schedule; and

WHEREAS, the City desires to update and amend such fees to be referred to hereafter as "Storm Drain Impact Fees" in accordance with applicable provisions of the Impact Fees Act in order to appropriately assign capital infrastructure costs to development in an equitable and proportionate manner as more particularly provided herein; and

WHEREAS, the City properly noticed its intent to prepare the Storm Drain Impact Fee Facilites Plan and the Storm Drain Impact Fee Analysis as required by law and the City has, through its consultants, completed the Storm Drain Impact Fee Facilities Plan and Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act, which Storm Drain Impact Fee Facilities Plan and Impact Fee Analysis are more particularly described and adopted herein; and

WHEREAS, the City has provided the required notice and held a public hearing before the City Council regarding the proposed Storm Drain Impact Fees, Storm Drain Impact Fee Facilities Plan and Storm Drain Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

SECTION I
ORDINANCE REPEALED

The provisions of Ordinance No. 97-21 specifically adopting and amending Storm Drain Impact Fees are hereby repealed and superceded by the provisions of this Ordinance to the extent they relate to Storm Drain Impact Fees. To the extent any provisions of Title 15, Chapter 8, are in conflict with the provisions of this Ordinance regarding Storm Drain Impact Fees, the provisions of this Ordinance shall govern. This Ordinance may be referred to and cited as the "Storm Drain Impact Fees Ordinance."

SECTION II
PURPOSE

This Storm Drain Impact Fees Ordinance establishes the City's Storm Drain Impact Fees policies and procedures and is promulgated pursuant to Title 11, Chapter 36a, Part 4, Enactment of Impact Fees, and other requirements of the Impact Fees Act. This Ordinance amends and adopts Storm Drain Impact Fees for storm drain facilities within the City Service Area as defined herein, provides a schedule of Storm Drain Impact Fees for development activity, and sets forth direction for challenging, modifying and appealing Storm Drain Impact Fees. This Ordinance does not replace, supercede, or modify any ordinance regarding impact fees unrelated to Storm Drain facilities and improvements.

SECTION III
DEFINITIONS

Words and phrases that are defined in the Impact Fees Act shall have the same definition in this Storm Drain Impact Fees Ordinance. The following words and phrases are defined as follows:

1. *"City"* means a political subdivision of the State of Utah and is referred to herein as the City of Centerville, Utah.

2. *"Development Activity"* means, except as otherwise provided in the Impact Fees Act, any construction or expansion of a building, structure or use, any change in use of a building or structure, or any changes in the use of land within the Service Area that creates additional demand and need for public facilities related to storm drainage.

3. *"Development Approval"* means any written authorization from the City that authorizes the commencement of development activity.

4. *"Impact Fee"* means a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. "Impact fee" does not include a tax, special assessment, building permit fee, hookup fee, fee for project improvements, or other reasonable permit or application fee.

5. *"Impact Fee Analysis"* means the written analysis of each impact fee required by Section 11-36a-303 of the Impact Fees Act.

6. *"Impact Fee Facilities Plan"* means the plan required by Section 11-36a-301 of the Impact Fees Act.

7. *"Project Improvements"* means site improvements and facilities that are: planned and designed to provide service for development resulting from a Development Activity; necessary for the use and convenience of the occupants or users of development resulting from a Development Activity; and not identified or reimbursed as a system improvement. "Project Improvements" does not mean system improvements as more particularly defined herein.

8. *"Proportionate Share"* means the cost of public facility improvements that are roughly proportionate and reasonably related to the service demands and needs of any Development Activity.

9. *"Public Facilities"* means impact fee facilities as defined in the Impact Fees Act that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision or private entity. For purposes of this Ordinance, and as defined in the Impact Fees Act, impact fee facilities include "storm water, drainage, and flood control facilities" of the City for the Service Area.

10. *"Service Area"* means a geographic area designated by the City on the basis of sound planning or engineering principles in which a public facility, or a defined set of public facilities, provides service within the area. The Service Area for purposes of this Ordinance is more particularly described in Section V.

11. *"System Improvements"* means existing public facilities that are: identified in the impact fee analysis under Section 11-36a-304 of the Impact Fees Act; and designed to provide services to service areas within the community at large and future public facilities identified in the impact fee analysis under Section 11-36a-304 that are intended to provide service to service areas within the community at large. "System improvements" do not include project improvements as defined herein.

SECTION IV
STATUTORY AUTHORITY AND RESTRICTIONS

1. *Impact Fees Act Authority.* The City is authorized to impose impact fees subject to and in accordance with applicable provisions of the Impact Fees Act. An impact fee is defined as a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. Impact fees may only be established for public facilities as defined in Section 11-36a-102 that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision. Public facilities for which impact fees may be imposed include public facilities for storm water, drainage, and flood control facilities.

2. *Impact Fees Act Restrictions*. Pursuant to Section 11-36a-202 of the Impact Fees Act, the City may not impose an impact fee to: (1) cure deficiencies in public facilities serving existing development; (2) raise the established level of service of a public facility serving existing development; (3) recoup more than the local political subdivision's costs actually incurred for excess capacity in an existing system improvement; or (4) include an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement.

SECTION V
SERVICE AREA

The Impact Fees Act requires the City to establish one or more service areas within which the City will calcluate and impose a particular impact fee. The service area within which the proposed Storm Drain Impact Fees will be imposed includes all of the area within the corporate limits and jurisdictional boundaries of the City. The Service Area is more particularly described and set forth in **Exhibit A,** attached hereto and incorporated herein by this reference.

SECTION VI
IMPACT FEE FACILITIES PLAN

1. *Impact Fee Facilities Plan Required.* Pursuant to Section 11-36a-301 of the Impact Fees Act, before imposing or amending an impact fee, the City is required to prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity. The impact fee facilities plan shall identify the demands placed upon existing public facilities by new development activity and the proposed means by which the City will meet those demands.

2. *Storm Drain Impact Fee Facilities Plan.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-302 of the Impact Fees Act and has caused to be prepared a Storm Drain Impact Fee Facilities Plan ("IFFP"), as more particularly set forth in **Exhibit B,** attached hereto and incorporated herein by this reference. The Storm Drain IFFP has been prepared based on reasonable growth assumptions for the City and general demand characteristics of current and future users of storm drain facilities. The Storm Drain IFFP identifies the impact on system improvements created by development activity and estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to new development activity. As shown in the Storm Drain IFFP, the City has considered all revenue sources to finance the impacts on system improvements, including grants, bonds, interfund loans, impact fees, and anticipated or accepted dedications of system improvements. The Storm Drain IFFP establishes that impact fees are necessary to maintain a proposed level of service that complies with applicable provisions of Section 11-36a-302 of the Impact Fees Act.

3. *Plan Certificiation.* The Storm Drain IFFP includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act from the person or entity that prepared the plan certifying that the Storm Drain IFFP complies in each and every relevant respect with the Impact Fees Act.

4. *Compliance with Noticing Requirements.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in the Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing.

5. *Adoption of Storm Drain Impact Fee Facilities Plan.* The Storm Drain IFFP as set forth in **Exhibit B,** is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION VII
IMPACT FEE ANALYSIS

1. *Impact Fee Analysis Required.* Pursuant to Section 11-36a-303 of the Impact Fees Act, each local political subdivision intending to impose an impact fee shall prepare a written analysis of each impact fee to be imposed and a summary of the impact fee analysis designed to be understood by a lay person. The impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity; identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility; demonstrate how the anticipated impacts are reasonably related to the anticipated development activity; estimate the proportionate share of the costs for existing capacity that will be recouped and the costs of impacts on system improvements that are reasonably related to the new development activity; and identify how the impact fee is calculated.

2. *Storm Drain Impact Fee Analysis.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-304 of the Impact Fees Act, including the proportionate share analysis required therein, and has caused to be prepared a Storm Drain Impact Fee Analysis ("IFA"), as more particularly set forth in **Exhibit B,** attached hereto and incorporated herein by this reference. The Storm Drain IFA identifies the impacts upon public facilities required by the development activity and demonstrates how those impacts on system improvements are reasonably related to the development activity, estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity, and identify how the Storm Drain Impact Fees are calculated.

3. *Analysis Certificiation.* The Storm Drain IFA includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act from the person or entity that prepared the analysis certifying that the Storm Drain IFA complies in each and every relevant respect with the Impact Fees Act.

4. *Compliance with Noticing Requirements.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing.

5. *Adoption of Storm Drain Impact Fee Analysis.* The Storm Drain IFA as set forth in **Exhibit B,** is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION VIII
CALCULATION OF IMPACT FEES

1. *Impact Fee Calculations.* Pursuant to Section 11-36a-305, in calculating an impact fee, the City may include: the construction contract price; the cost of aquiring land, improvements, materials, and fixtures; the cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and debt service charges if the City might use impact fees as a revenue stream to pay principal and interest on bonds, notes, or other obligations issued to finance the costs of the system improvements. In calculating the proposed Storm Drain Impact Fees, the City has based such amounts calculated on realistic estimates and the assumptions underlying such estimates are more particularly disclosed in the Storm Drain IFA set forth **in Exhibit B.**

2. *Previously Incurred Costs.* To the extent that new growth and development will be served by previously constructed improvements, the City's Storm Drain Impact Fees may include public facility costs and outstanding bond costs related to the Storm Drain improvements previously incurred by the City. However, as provided in the Storm Drain IFA, a buy-in component is not contemplated in the analysis and therefore the interest costs associated with any outstanding storm bond obligations have not been included in the calculation of the Storm Drain Impact Fee.

SECTION IX
IMPACT FEE SCHEDULE AND FORMULA

1. *Impact Fee Schedule or Formula Required.* Pursuant to Section 11-36a-402 of the Impact Fees Act, the City is required to provide a schedule of impact fees for each type of development activity that specifies the amount of the impact fee to be imposed for each type of system improvement or the formula that the City will use to calculate each impact fee.

2. *Maximum Storm Drain Impact Fee Schedule.* Based on the Storm Drain IFA, the maximum Storm Drain Impact Fees which the City may impose on development activity within the defined Service Area for storm drain facilities is set forth in the following schedule:

Maximum Storm Drain Impact Fee Schedule

TABLE 1.2: IMPACT FEE CHANGE

IMPACT FEE SUMMARY	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

3. *Rates Established by Resolution.* The City Council, by this Ordinance, approves the maximum Storm Drain Impact Fees in accordance with the Storm Drain IFA set forth in **Exhibit B.** The City reserves the right to establish the Storm Drain Impact Fees as established in this Ordinance by Rate Resolution or Resolution amending the Consolidated Fee Schedule. In no event will the Storm Drain Impact Fees established by Resolution exceed the maximum supportable Storm Drain Impact Fee Schedule as set forth herein.

SECTION X
ADJUSTMENTS AND CREDITS

1. *Adjustments.* In accordance with Section 11-36a-402 of the Impact Fees Act, the City may adjust the Storm Drain Impact Fees at the time the fee is charged to respond to unusual circumstances in specific cases, to address development activity by the State or school district, or to ensure that impact fees are imposed fairly. The Storm Drain Impact Fees may be adjusted at the time the fee is charged in response to unusual circumstances or to fairly allocate costs associated with impacts created by a development activity or project. The Storm Drain Impact Fees assessed to a particular development may also be adjusted should the developer supply sufficient written information, studies and/or data to the City showing a discrepancy between the fee being assessed and the actual impact on the system.

2. *Developer Credits.* In accordance with Section 11-36a-402 of the Impact Fees Act, a developer may be allowed a credit against Storm Drain Impact Fees or proportionate reimbursement of Storm Drain Impact Fees if the developer dedicates land for a system improvement, builds and dedicates some or all of a system improvement; or dedicates a public facility that the City and the developer agree will reduce the need for a system improvement; *provided* that the system improvement is: (i) identified in the City's Storm Drain IFFP; and (ii)

is required by the City as a condition of approving the development activity. To the extent required in Section 11-36a-402, the City shall provide a credit against Storm Drain Impact Fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities are system improvements, as defined herein and included in the Storm Drain IFFP; or are dedicated to the public and offset the need for an identified system improvement.

3. *Waiver for "Public Purpose"*. The City Council may, on a project by project basis, authorize exceptions or adjustments to the Storm Drain Impact Fees for those projects the City Council determines to be of such benefit to the community as a whole to justify the exception or adjustment. Such projects may include affordable housing and other development activities with broad public purposes. The City Council may elect to waive or adjust Storm Drain Impact Fees for such projects. Applications for exceptions are to be filed with the City at the time the applicant first requests the extension of service to the applicant's development or property.

SECTION XI
NOTICE AND HEARING

1. *Notice.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing. Notice has also been provided in accordance with applicable provisions of *Utah Code Ann.* § 10-9a-205.

2. *Hearing.* The City Council held a public hearing regarding the Storm Drain IFFP, the Storm Drain IFA, and this Storm Drain Impact Fee Ordinance, on July 1, 2014, and a copy of the Ordinance was available in its substantially final form at the Centerville Branch of the Davis County Public Library and the City Recorder's Office in the Centerville City Hall at least ten (10) days before the date of the hearing, all in conformity with the requirements of *Utah Code Ann.* § 10-9a-205 and applicable noticing provisions of the Impact Fees Act.

SECTION XII
IMPACT FEE ACCOUNTING AND EXPENDITURES

1. *Impact Fees Accounting.* Pursuant to Section 11-36a-601 of the Impact Fees Act, the City will establish a separate interest bearing ledger account for each type of public facility for which an impact fee is collected, deposit a receipt for an impact fee in the appropriate ledger account established herein, and retain the interest earned on each fund or ledger account in the fund or ledger account.

2. *Reporting.* At the end of each fiscal year, the City shall prepare a report on each fund or ledger account showing the source and expenditures as required by law. Annually, the City shall produce and transmit to the State Auditor a certified report in accordance with Section 11-36a-601 in a format developed by the State Auditor.

3. *Impact Fee Expenditures.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may expend Storm Drain Impact Fees only for a system improvement: (i) identified in the Storm Drain IFFP; and (ii) for the specific public facility type for which the fee was collected. Impact fees will be expended on a First-In First-Out basis.

4. *Time of Expenditure.* Except as otherwise provided by law, the City shall expend or encumber Storm Drain Impact Fees for a permissible use within six (6) years of their receipt. For purposes of this calculation, the first funds received shall be deemed to be the first funds expended.

5. *Extension of Time.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may hold the impact fees for longer than six (6) years if it identifies in writing: (i) an extraordinary and compelling reason why the fees should be held longer than six (6) years; and (ii) an absolute date by which the fees will be expended.

6. *Refunds.* Pursuant to Section 11-36a-603 of the Impact Fees Act, the City shall refund any Storm Drain Impact Fees paid by a developer, plus interest earned, when: (i) the developer does not proceed with the development activity and files a written request for a refund; (ii) the fees have not been spent or encumbered; and (iii) no impact has resulted. An impact that would preclude a developer from a refund from the City may include any impact reasonably identified by the City, including, but not limited to, the City having sized facilities and/or paid for, installed and/or caused the installation of facilities based in whole or in part upon the developer's planned development activity even though that capacity may, at some future time, be utilized by another development.

7. *Other Impact Fees.* To the extent allowed by law, the City Council may negotiate or otherwise impose impact fees and other fees different from those currently charged. Those charges may, at the discretion of the City Council, include but not be limited to reductions or increases in impact fees, all or part of which may be reimbursed to the developer who installed improvements that service the land to be connected with the City's system.

8. *Additional Fees and Costs.* The Storm Drain Impact Fees authorized herein are separate from and in addition to user fees and other charges lawfully imposed by the City and other fees and costs that may not be included as itemized component parts of the Storm Drain Impact Fee Schedule. In charging any such fees as a condition of development approval, the City recognizes that the fees must be a reasonable charge for the service provided.

9. *Fees Effective at Time of Payment.* Unless otherwise provided in the City's Consolidated Fee Schedule, the City will collect the Storm Drain Impact Fees prior to final plat recording or prior to building permit issuance, as applicable. The fees will be calculated by the

City. Unless the City is otherwise bound by a contractual requirement, the Storm Drain Impact Fees shall be determined from the fee schedule in effect at the time of payment.

10. *Imposition of Additional Fee or Refund after Development.* Should any developer undertake development activities such that the ultimate acreage or other impact of the development activity is not revealed to the City, either through inadvertence, neglect, a change in plans, or any other cause whatsoever, and/or the Storm Drain Impact Fee is not initially charged against all acreage within the development, the City shall be entitled to charge an additional Storm Drain Impact Fee to the developer or other appropriate person covering the acreage for which an impact fee was not previously paid.

SECTION XIII
CHALLENGES TO IMPACT FEES

1. *Request for Information.* Pursuant to Section 11-36a-701, a person or entity required to pay a Storm Drain Impact Fee who believes the the impact fee does not meet the requirements of law may file a written request for information with the City Manager. As required by law, the City Manager shall, within two (2) weeks after the receipt of the request for information provide the person or entity with the Storm Drain IFFP, the Storm Drain IFA, and any other relevant information relating to the Storm Drain Impact Fee.

2. *Advisory Opinion.* A potentially aggrieved person may request an advisory opinion from a neutral third party regarding compliance of the Storm Drain Impact Fees with the Impact Fees Act by filing such request with the Office of the Property Rights Ombudsman in accordance with the procedures and provisions of Title 13, Chapter 43, known as the Property Rights Ombudsman Act. The aggrieved party requesting an advisory opinion is not required to exhaust the admininstrative appeals procedures set forth in Subsection 4 before requesting an advisory opinion.

3. *Appeal.* A person or entity that has paid Storm Drain Impact Fees under the provisions of this Ordinance may challenge such impact fees pursuant to the provisions set forth in Title 11, Chapter 36a, Part 7 of the Impact Fees Act regarding Challenges.

a. *Grounds for Challenge.* Pursuant to Section 11-36a-701, a person or entity that has paid Storm Drain Impact Fees under the provisions of this Ordinance may challenge: (1) the impact fees; (2) whether the City complied with the notice requirements of the Impact Fees Act with respect to the imposition of the impact fees; and/or (3) whether the City complied with other procedural requirements of the Impact Fees Act for imposing the impact fee.

b. *Sole Remedy.* The sole remedy for challenging the notice requirements is the equitable remedy of requiring the City to correct the defective notice and repeat the process. The sole remedy for challenging the impact fee is a refund of the difference between what the person or entity paid as an impact fee and the amount the impact fee should have been if it had been correctly calculated. Reasonable attorneys fees may be awarted to the substantially prevailing party to the extent provided in the Impact Fees Act.

c. *Initiation.* A challenge to an impact fee is initiated by filing:

i. An appeal to the City Council pursuant to the admininstrative a appeal procedures set forth herein;

ii. A request for arbitration as provided in Section 11-36a-705 of the Impact Fees Act; or

iii. An action in district court.

d. *Time Restrictions.* The time for filing a challenge to the impact fees shall be filed in accordance with the time limitations set forth in Section 11-36a-702, depending upon the type of challenge. The deadline to file an action in district court is tolled from the date that a challenge is filed using the admininstrative procedures set forth in Subsection 4 until thirty (30) days on which a final decision is rendered in the administrative appeals procedure.

4. *Administrative Appeal Procedure.* The City hereby adopts an administrative appeal procedure to consider and decide challenges to the Storm Drain Impact Fees. Any person or entity that has paid a Storm Drain Impact Fee pursuant to this Ordinance may challenge or appeal the impact fee by filing written notice of administrative appeal with the City Manager within thirty (30) days after the day on which the person or entity paid the impact fee. The notice of appeal shall set forth the grounds for the appeal and shall include any applicable filing fees as set forth in the City's Consolidated Fee Schedule. Upon receiving the written notice of appeal, the City Council shall set a hearing date to consider the merits of the challenge or appeal. The person or entity challenging or appealing the fee may appear at the hearing and present any written or oral evidence deemed relevant to the challenge or appeal. Representatives of the City may also appear and present evidence to support the imposition of the fee. The City Council shall hold a hearing and make a decision within thirty (30) days after the date the challenge or appeal is filed.

5. *Mediation.* In addition to the methods of challenging an impact fee as provided herein, a specified public agency may require the City to participate in mediation of any applicable impact fee in accordance with the provisions of Section 11-36a-704 of the Impact Fees Act. A written request for mediation must be filed in accodance with Section 11-36a-704 no later than thirty (30) days after the day on which the impact fee is paid.

6. *Declaratory Judgment Action.* Pursuant to Section 11-36a-701, a person or entity residing in or owning property within the Service Area, or an organization, association, or a corporation representing the interests of persons or entities owning property within the Service Area, are deemed to have standing to file a declaratory judgment action challenging the validity of an impact fee.

SECTION XIV
MISCELLANEOUS

1. *Severability.* If any section, subsection, paragraph, clause or phrase of this Storm Drain Impact Fee Ordinance shall be declared invalid for any reason, such decision shall not affect the remaining portions of this Ordinance, which shall remain in full force and effect, and for this purpose, the provisions of this Storm Drain Impact Fee Ordinance are declared to be severable.

2. *Interpretation.* This Storm Drain Impact Fee Ordinance has been divided into sections, subsections, paragraphs and clauses for convenience only and the interpretation of this Ordinance shall not be affected by such division or by any heading contained herein.

3. *Other Impact Fees Not Repealed.* Except as otherwise specifically provided herein, this Storm Drain Impact Fee Ordinance shall not repeal, modify or affect any impact fee of the City in existence as of the effective date of this Ordinance.

SECTION XV
EFFECTIVE DATE

In accordance with the provisions of *Utah Code Ann.* § 11-36a-401, this ordinance and the impact fees adopted herein or pursuant hereto shall not take effect until ninety (90) days after the day on which the ordinance is approved.

[Signature Page to Follow]

PASSED AND APPROVED this _____ day of July, 2014.

CENTERVILLE CITY COUNCIL

By: ________________________________
Mayor Paul A. Cutler

[SEAL]

VOTING:

Council Member Averett	Yea ___	Nay ___
Council Member Fillmore	Yea ___	Nay ___
Council Member Higginson	Yea ___	Nay ___
Council Member Ivie	Yea ___	Nay ___
Council Member Wright	Yea ___	Nay ___

ATTEST:

By________________________________
Marsha L. Morrow, City Recorder

DEPOSITED in the office of the City Recorder this _____ day of ______________, 2014.

RECORDED this _____ day of ________________, 2014.

EXHIBIT A

STORM DRAIN IMPACT FEE SERVICE AREA

EXHIBIT B

STORM DRAIN IMPACT FEE FACILITIES PLAN AND STORM DRAIN IMPACT FEE ANALYSIS

Centerville City
Storm Drain Impact Fee Service Area

Date: 6/17/2014

RESOLUTION NO. 2014-20

A RESOLUTION AMENDING THE CENTERVILLE CITY FEE SCHEDULE REGARDING STORM DRAIN IMPACT FEES

WHEREAS, the City Council has previously adopted Storm Drainage Fees, as set forth in Section 1.F of the Centerville City Fee Schedule; and

WHEREAS, on July 1, 2014, the City Council approved Ordinance No. 2014-13, adopting and amending the Storm Drainage Fees to be known as the Storm Drain Impact Fees, as more particularly set forth therein, approving a maximum Storm Drain Impact Fee in accordance with the Storm Drain Impact Fee Analysis, and authorizing the City to implement and establish the Storm Drain Impact Fee by resolution amending the City Fee Schedule; and

WHEREAS, the City Council desires to amend provisions of the City Fee Schedule to set forth the amended and updated Storm Drain Impact Fees, as more particularly set forth herein, which fees may not take effect until ninety (90) days after the day on which Ordinance No. 2014-13 was approved; and

WHEREAS, the City Council has determined that the fees set forth herein are reasonable and necessary to properly provide for the safety and welfare of its citizens and that the impact fees have been properly adopted and amended in accordance with the Utah Impact Fees Act through the adoption of Ordinance No. 2014-13.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF CENTERVILLE, UTAH, AS FOLLOWS:

Section 1. Amendment. The City Council hereby amends Storm Drainage Fees in Section I.F of the Centerville City Fee Schedule to set forth the updated and amended Storm Drain Impact Fees as more particularly set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

Section 2. Severability. If any section, clause or portion of this Resolution is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby and shall remain in full force and effect.

Section 3. Effective Date. This Resolution and the Storm Drain Impact Fees adopted herein shall become effective October 1, 2014.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, ON THIS 1st DAY OF JULY, 2014.

CENTERVILLE CITY

By: ______________________________
Mayor Paul A. Cutler

ATTEST:

____
Marsha L. Morrow, City Recorder

EXHIBIT "A"

F. STORM DRAIN IMPACT FEES

1. Residential Property

(a)	Undeveloped Land to be Subdivided	$3,911 per Gross Acre	Prior to Final Plat Approval
(b)	Existing Lots Not Previously Assessed	$3,911 per Gross Acre	Prior to Issuance of Building Permit

2 Commercial Property

(a)	Undeveloped Land to be Subdivided	$3,911 per Gross Acre	Prior to Final Plat Approval
(b)	Existing Lots Not Previously Assessed	$3,911 per Gross Acre	Prior to Issuance of Building Permit

	Fee	Professional Services Deposit [b]	When Due
1. Single Family Dwelling	$471.00 per Dwelling Unit		Prior to Issuance of Building Permit
2. Multi-Family Dwelling	$471.00 per Dwelling Unit		Prior to Issuance of Building Permit
3. Hotel/Motel	$428.00 per Room		Prior to Issuance of Building Permit
4. Nursing Home	$471.00 per Room		Prior to Issuance of Building Permit
5. Commercial	$240.00 per 1,000 Square Feet		Prior to Issuance of Building Permit
6. Office	$114.00 per 1,000 Square Feet		Prior to Issuance of Building Permit
7. School	$350.00 per 1,000 Square Feet		Prior to Issuance of Building Permit
8. Church/Meeting Places	$106.00 per 1,000 Square Feet		Prior to Issuance of Building Permit
9. Industrial	$25.00 per 1,000 Square Feet		Prior to Issuance of Building Permit

F. STORM DRAINAGE [14]

	Fee	Professional Services Deposit	When Due
1. Residential Property			
(a) Undeveloped Land to be Subdivided	$2,000 per Gross Acre		Prior to Final Plat Approval
(b) Existing Lots Not Previously Assessed	$2,000 per Acre (Prorated)		Prior to Issuance of Building Permit
2. Commercial and Industrial Property			
(a) Undeveloped Land to be Platted and Developed	$4,000 per Gross Acre		Prior to Final Plat Approval
(b) Existing Lots Not Previously Assessed	$4,000 per Acre (Prorated)		Prior to Issuance of Building Permit

G. AMENDMENTS AND ADJUSTMENTS

	Fee	Professional Services Deposit	When Due
1. Amending City Ordinance [15]		$250 [c]	Upon Application

[c] Applicants shall be required to pay the cost of in-house staff time and/or legal services actually incurred by the City for applications to amend City Ordinances. The Professional Services Deposit will be used and applied toward such services costs actually incurred by the City. Applicants will be refunded any portion of the Professional Services Deposit not needed to reimburse the City for actual costs incurred and will be billed to the applicant for any additional in-house staff time and/or legal services incurred by the City in excess of the Professional Services Deposit. Costs for such services will be allocated towards the deposit and/or billed to the applicant monthly. Applicant may be required to re-fund the Professional Services Deposit once the deposit has been fully expended. Hourly rates and a detailed description of in-house staff time and/or legal services actually incurred by the City for City Ordinance amendment application shall be provided to the applicant upon request.

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 3.

Short Title: Public Hearing - Zoning Ordinance Text Amendments - Apiaries/Beekeeping Amendments

Initiated By: City Council

Scheduled Time: 7:25

SUBJECT

a. Staff Report
b. Public Hearing
c. Consider Zoning Ordinance Text Amendments regarding Apiaries/Beekeeping - Ordinance No. 2014-14

RECOMMENDATION

Following staff presentation on the proposed Zoning Ordinance Text Amendments, hold a public hearing as required by law. Consider adoption of Ordinance No. 2014-14.

BACKGROUND

On May 14, 2014, the Planning Commission reviewed the proposed Zoning Ordinance Text Amendments regarding apiaries/beekeeping within the City. The Planning Commission has recommended denial of the proposed text amendments. The Staff Transmittal Report for this application is attached, as well as other background information. See page 7 of the attached Planning Commission minutes for the Commission's discussion.

ATTACHMENTS:

Description

- Staff Report from Cory Snyder
- Ordinance No. 2014-14-Apiaries
- PC Staff Report
- PC Backup Material
- Photos
- May 14, 2014 Planning Commission meeting minutes

CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT
655 North 1250 West, Centerville, Utah 84014
(801) 292-8232

STAFF TRANSMITTAL REPORT

DATE: JUNE 23, 2014

TO: STEVE THACKER, CITY MANAGER

FROM: CORVIN M. SNYDER, AICP, COMMUNITY DEVELOPMENT DIRECTOR

APPLICANT: CENTERVILLE CITY COUNCIL
C/O PAUL CUTLER, MAYOR
250 NORTH MAIN STREET
CENTERVILLE, UTAH 84014

APPLICATION: ZONING CODE TEXT AMENDMENTS

APPLICANT REQUEST: AMEND CENTERVILLE CITY ZONING ORDINANCES TO REMOVE APIARIES ***(i.e. beekeeping)*** FROM THE DEFINITION OF ANIMAL SPECIALTIES AND ALLOW THEM AS AN UNREGULATED USE BY THE CITY ***(i.e. applicable state regulations are adequate)***

RECOMMENDATION: RECOMMEND DENIAL OF THE ZONING CODE TEXT AMENDMENTS

BACKGROUND

On March 19, 2014, the Centerville City Council directed the planning staff to prepare necessary zoning text amendments to remove the prohibition of "apiaries" (*aka: beekeeping – see Chapter 12-12-Definitions-Animal Specialties; and 12-36-Table of Uses-Animal Specialties*) within Centerville City limits. Furthermore, the Council voted unanimously to let the state continue management and regulation of beekeeping and no further regulation was deemed necessary with local codes and Ordinances for Centerville City.

Please Note*: it is staff's impression from the discussion that the Commission is hoping that the Council will remand the matter back to them. Some of the Commissioner's sense that once the Council receives information that was not previously discussed by the Council, it may change or influence differently the perspectives that had originally initiated the amendment.*

Furthermore, it is also staff's impression that there are PC members who want little to no regulation and there are members believing there ought to be some regulation, if such regulation could be adequate and effective. Thus, they hope the Council will choose to remand the matter *back to the Commission for further study of a possible regulatory ordinance before rendering a final decision.*

PROPOSED AMENDMENTS

CHAPTER 12-12 - Definitions:

[Modified definitions]

[edit] ***Animal Specialties:*** *The production of small animals and associated products. Typical uses include chicken and turkey raising, egg production, ~~apiaries,~~ and aviaries.*

[add] ***Apiaries (beekeeping):*** *"Apiary" means any place where one or more colonies of bees are located for personal or commercial use.*

TABLE 12-36 - Table of Uses Allowed

Agricultural Uses	
[add] ***Apiaries (aka; beekeeping)***	*The keeping and management of bees are subject to state statues and/or other applicable codes or regulations. Centerville City does not regulate or enforce the practice of beekeeping within the City's municipal limits.*

RECOMMENDATION

On May 14, 2014, the Planning Commission recommended to the City to **recommend *DENIAL*** of the proposed text amendments, as requested by the City Council.

Suggested reasons for the action:

a. The Planning Commission finds that decisions regarding a legislative application are based on the "reasonably debatable" standard.
b. The Planning Commission finds that there are no generalized or specific statements within the General Plan concerning the keeping and use of animals, including beekeeping, for private or commercial use.
c. The Planning Commission finds that there is a public interest in establishing regulations relating to the use and keeping of animals that promotes the general welfare of the community.
d. The Planning Commission finds that the proposed amendment regarding beekeeping is not consistent with previous legislative decisions, specifically concerning how animals and their associated elements are currently regulated within the City's Zoning Ordinance. Such policies are summarized as follows:
   i. *Animal Unit Allocation*
   ii. *Animal Specialties*
   iii. *Agricultural Business*
   iv. *Stable, Private*
   v. *Animals And Fowl For Recreation And Family-Food Production*
   vi. *Household Pets*

e. The Commission finds that the primary focus of Utah's Beekeeping Act appears to be concentrated on the health and disease control of beekeeping within Utah.
f. The Planning Commission finds that it is probably shortsighted to expect that the state and county can suitably manage a local land use conflict that may occur regarding the keeping of bees within the City.
g. The Planning Commission finds that many of the other beekeeping techniques, for an urbanized area, come from university extension service programs and/or the experiences of many beekeeping clubs, and not from state statues.
h. The Planning Commission finds that other cities have or are adopting their own local beekeeping regulations, which seemingly are consistent with best management practices, to address the needs and practices for allowing apiaries.

<u>Planning Commission Vote (4-2)</u>:

Commissioner	Yes	No	Not Present
Hirschi (Chair)		X	
Hirst	X		
Johnson	X		
Kjar		X	
Merrill	X		
Randall	X		

ORDINANCE NO. 2014-14

AN ORDINANCE AMENDING SECTION 12-12-040 OF THE CENTERVILLE CITY ZONING ORDINANCE AMENDING THE DEFINITION OF ANIMAL SPECIALTIES AND ADDING A NEW DEFINITION OF APIARIES AND AMENDING CHAPTER 12-36 (TABLE OF USES ALLOWED) REGARDING APIARIES

WHEREAS, the City Council directed Staff to prepare necessary Zoning Ordinance amendment to remove the prohibition of apiaries within the City and to defer regulation and management of apiaries to the State, as applicable; and

WHEREAS, Staff has prepared the recommended changes to the Zoning Ordinance necessary to remove the prohibition of apiaries within the City by amending the definition of animal specialties, adding a new definition of apiaries, and adding a reference to apiaries in the Table of Uses set forth in Table 12-36; and

WHEREAS, City Council has determined that the proposed revisions to the Zoning Ordinance, as more particularly set forth herein, are in the best interest of the City and the public health, safety and welfare; and

WHEREAS, the proposed amendments to the Zoning Ordinance as set forth herein have been reviewed by the Planning Commission and the City Council and all appropriate public hearings have been held in accordance with Utah law to obtain public input regarding the proposed revisions to the Zoning Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. <u>**Amendment**</u>. Section 12-12-040 of the Centerville City Zoning Ordinance regarding Definitions is hereby amended to amend the definition of animal specialties and to add a definition of apiaries:

12-12-040. Definitions.

* * *

Animal Specialties: The production of small animals and associated products. Typical uses include chicken and turkey raising, egg production, ~~apiaries,~~ and aviaries.

* * *

Apiaries (beekeeping): "Apiary" means any place where one or more colonies of bees are located for personal or commercial use.

* * *

Section 2. **Amendment.** Chapter 12-36 (Table of Uses Allowed) of the Centerville City Zoning Ordinance is hereby amended to address apiaries as follows:

<table>
<tr><th colspan="16">Zones</th></tr>
<tr><th>Agricultural Uses</th><th>A-L</th><th>A-M</th><th>R-L</th><th>R-M</th><th>R-H</th><th>PF-L</th><th>PF-M</th><th>PF-H</th><th>PF-VH</th><th>C-M</th><th>C-H</th><th>C-VH</th><th>I-M</th><th>I-H</th><th>I-VH</th></tr>
<tr><td>Apiaries</td><td colspan="15">The keeping and management of bees are subject to state statues and/or other applicable codes or regulations. Centerville City does not regulate or enforce the practice of beekeeping within the City's municipal limits</td></tr>
</table>

Section 3. **Severability.** If any section, part or provision of this Ordinance is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect any other portion of this Ordinance, and all sections, parts and provisions of this Ordinance shall be severable.

Section 4. **Omission Not a Waiver.** The omission to specify or enumerate in this ordinance those provisions of general law applicable to all cities shall not be construed as a waiver of the benefits of any such provisions.

Section 5. **Effective Date.** This Ordinance shall become effective immediately upon publication or posting, or thirty (30) days after passage, whichever occurs first.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, THIS ______ DAY OF JULY, 2014.

ATTEST: **CENTERVILLE CITY**

____
Marsha L. Morrow, City Recorder

By:________________________________
Mayor Paul A. Cutler

Voting by the City Council:

	"AYE"	"NAY"
Councilmember Averett	_______	_______
Councilmember Fillmore	_______	_______
Councilmember Higginson	_______	_______
Councilmember Ivie	_______	_______
Councilmember Wright	_______	_______

CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT

655 North 1250 West, Centerville, Utah 84014
(801) 292-8232

STAFF REPORT
AGENDA: ITEM 5

APPLICANT:	**CENTERVILLE CITY COUNCIL** **C/O PAUL CUTLER, MAYOR** **250 NORTH MAIN STREET** **CENTERVILLE, UTAH 84014**
APPLICATION:	**ZONING CODE TEXT AMENDMENTS**
APPLICANT REQUEST:	**AMEND CENTERVILLE CITY ZONING ORDINANCES TO REMOVE APIARIES (*i.e. beekeeping*) FROM THE DEFINITION OF ANIMAL SPECIALTIES AND ALLOW THEM AS AN UNREGULATED USE BY THE CITY (*i.e. applicable state regulations are adequate*)**
RECOMMENDATION:	**RECOMMEND DENIAL OF THE ZONING CODE TEXT AMENDMENTS**

BACKGROUND

On March 19, 2014, the Centerville City Council directed the planning staff to prepare necessary zoning text amendments to remove the prohibition of "apiaries" (*aka: beekeeping – see Chapter 12-12-Definitions-Animal Specialties; and 12-36-Table of Uses-Animal Specialties*) within Centerville City limits. Furthermore, the Council voted unanimously to let the state continue management and regulation of beekeeping and no further regulation was deemed necessary with local codes and Ordinances for Centerville City.

PROPOSED AMENDMENTS

CHAPTER 12-12 - Definitions:

[Modified definitions]

*[edit] **Animal Specialties**: The production of small animals and associated products. Typical uses include chicken and turkey raising, egg production, ~~apiaries,~~ and aviaries.*

*[add] **Apiaries (beekeeping)**: "Apiary" means any place where one or more colonies of bees are located for personal or commercial use.*

TABLE 12-36 - Table of Uses Allowed

Agricultural Uses	
[add] Apiaries (aka: beekeeping)	*The keeping and management of bees are subject to state statues and/or other applicable codes or regulations. Centerville City does not regulate or enforce the practice of beekeeping within the City's municipal limits.*

ZONE TEXT AMENDMENT APPROVAL STANDARDS SECTION 12-21-080(e)

1. Is the proposed amendment consistent with the goals, objectives and policies of the City's General Plan?

Within the City's General Plan, there are no generalized or specific statements concerning the keeping and use of animals, including beekeeping, for private or commercial use.

Staff Response: The planning staff believes the General Plan goals, objectives, and policies are unbiased concerning the proposed text amendments. Notwithstanding the absence of such a preference, it appears from staff's review, there are many specific policies addressing the raising and use of animals within the Zoning Ordinances. Such policies will be further highlighted in this report.

OTHER CONSIDERATIONS

<u>Current Legislative Policy and Consistency</u>

A decision to amend the Zoning Ordinance provisions is considered a legislative proceeding (*see Section 12-21-080, General Decision-Making Standards*). Decisions regarding a legislative application are based on the "reasonably debatable" standard. The decision-making authority is to determine what action, in its judgment, will:

- ✓ Reasonably promote the public interest
- ✓ Conserve the values of adjacent properties
- ✓ Avoid incompatible development
- ✓ Encourage appropriate use and development
- ✓ Promote the general welfare of the community

In considering these above listed principles and related existing zoning regulations, the planning staff believes that the proposed amendment regarding beekeeping is not consistent with previous legislative decisions, specifically concerning how animals and their associated elements are currently regulated within the City's Zoning Ordinance. Consider the following:

a. *<u>Animal Unit Allocation</u>* - In Chapter 12-12, Definitions, the Zoning Ordinance establishes a method for accounting for the relative impact of domestic animals and fowl allowed in the agricultural zones. These points are calculated as follows:

- Large Size Animals (e.g. horse or cow) are assigned 50 points per animal
- Medium Size Animals (e.g. sheep or goats) are a assigned 25 points per animal
- Small Size Animals (e.g. small or large fowl) have an assigned range from 2-8 points per animal

Within the Agricultural Zones, which allows the keeping of domestic farm variety animals, an acre of land is granted 100 points. Thus, the keeping of animals is proportionally distributed with the applicable animal unit points allotted to the size of the parcel where the animals are being kept.

b. *Animal Specialties* – The production of small animals and associated products. Typical uses include chicken and turkey raising, egg production, apiaries, and aviaries. Currently, these types of uses are "prohibited" throughout all Zoning Districts of the City (*see 12-36-Table of Uses Allowed*).

c. *Agricultural Business* – A commercial agricultural activity…or the boarding or stabling of animals other than those owned and used by household members. Currently, these activities are only allowed in the Agricultural-Medium (*no districts exist*) or the Industrial-High Zones.

d. *Stable, Private* – A private stable use is limited to the Agricultural-Low/Medium and all Public-Facility Zones.

e. *Animals And Fowl For Recreation And Family-Food Production* - Notwithstanding the typical agricultural allotment for the keeping of animals, the Zoning Ordinance also allows for the limited keeping of animals and fowl (*aka: chicken ordinance*). These provisions allow for up to 10 chickens or rabbits (*rabbits may not exceed a total of six*) to be kept within the Residential-Low Zones, which is the prominent residential zoning district for the City. This allowance has a set of regulatory standards and requires an annual permit with an associated minimum fee.

f. *Household Pets* – Allows for the keeping of animals ordinarily permitted in a house (e.g. cat or dog) and kept for company or pleasure and not for profit. This excludes the keeping of domestic farm variety animals or more than two dogs (*more than two dogs constitutes a kennel, which must be located in select zones other than residential*).

Staff Position: The planning staff believes that the existing legislative policy decisions indicate that there is a public interest in establishing regulations relating to the use and keeping of animals that promotes the general welfare of the community. Thus, to remove the beekeeping prohibition and wholly eliminate any zoning regulation regarding the allowance of "apiaries" is not consistent with other related matters found within the City's Zoning Ordinance.

Understanding State Statutes for Beekeeping

Title 4, Utah Agricultural Code, Chapter 11, is known as the "Utah Bee Inspection Act." From staff's review, the "Act" (*see staff report attachments*) contains provisions regarding the registration and inspection of "apiaries." The primary focus of the Act appears to be concentrated on the health and disease control of beekeeping within Utah. Additionally, a county inspector is required to be appointed as "bee inspector" when five or more persons desire to raise bees. As to nuisance problems, the Act focuses on two issues; which are abandonment and/or storage of apiary equipment and the expectation of maintaining a gentle stock (*i.e. cannot intentionally maintain aggressive stock).*

http://le.utah.gov/UtahCode/chapter.jsp?code=4

Additionally, it appears from staff's research that many of the other beekeeping techniques, for an urbanized area, come from university extension service programs and/or the experiences of many beekeeping clubs. As a result, other cities have or are adopting their own local beekeeping regulations, which seemingly are consistent with best management practices (*see attachment written by Danielle Downy, Utah State University & Salt Lake City's Green Website Page).*

http://utahpests.usu.edu/files/uploads/bees/bee-mgmt.pdf
http://www.slcgov.com/slc-green/slc-green-beekeeping-salt-lake-city

Staff Position: The planning staff believes that the state statutes are focused chiefly on the process of keeping a healthy bee population and controlling related diseases rather than on the land use planning interests. Thus, staff believes that it is probably shortsighted to expect that the state and county can suitably manage a local land use conflict that may occur regarding the keeping of bees within the City (*see UDAF - FAQ sheet, Question 3, Statement* #5).

http://ag.utah.gov/documents/BeekeepingFAQ.pdf

PLANNING STAFF RECOMMENDATION

Staff Suggested Action - I hereby make a motion for the Planning Commission to **recommend *DENIAL*** of the proposed text amendments, as requested by the City Council.

Suggested reasons for the action:

a. The Planning Commission finds that decisions regarding a legislative application are based on the "reasonably debatable" standard.
b. The Planning Commission finds that there are no generalized or specific statements within the General Plan concerning the keeping and use of animals, including beekeeping, for private or commercial use.
c. The Planning Commission finds that there is a public interest in establishing regulations relating to the use and keeping of animals that promotes the general welfare of the community.
d. The Planning Commission finds that the proposed amendment regarding beekeeping is not consistent with previous legislative decisions, specifically concerning how animals and their associated elements are currently regulated within the City's Zoning Ordinance. Such policies are summarized as follows:
    i. *Animal Unit Allocation*
    ii. *Animal Specialties*
    iii. *Agricultural Business*
    iv. *Stable, Private*
    v. *Animals And Fowl For Recreation And Family-Food Production*

vi. *Household Pets*

e. The Commission finds that the primary focus of Utah's Beekeeping Act appears to be concentrated on the health and disease control of beekeeping within Utah.
f. The Planning Commission finds that it is probably shortsighted to expect that the state and county can suitably manage a local land use conflict that may occur regarding the keeping of bees within the City.
g. The Planning Commission finds that many of the other beekeeping techniques, for an urbanized area, come from university extension service programs and/or the experiences of many beekeeping clubs, and not from state statues.
h. The Planning Commission finds that other cities have or are adopting their own local beekeeping regulations, which seemingly are consistent with best management practices, to address the needs and practices for allowing apiaries.

4-11-1. Short title.

This chapter shall be known and may be cited as the "Utah Bee Inspection Act."

Enacted by Chapter 2, 1979 General Session

4-11-2. Definitions.

As used in this chapter:

(1) "Abandoned apiary" means any apiary:

(a) to which the owner or operator fails to give reasonable and adequate attention during a given year, with the result that the welfare of a neighboring colony is jeopardized; or

(b) that is not properly identified in accordance with this chapter.

(2) "Apiary" means any place where one or more colonies of bees are located.

(3) "Apiary equipment" means hives, supers, frames, veils, gloves, or other equipment used to handle or manipulate bees, honey, wax, or hives.

(4) "Appliance" means any apparatus, tool, machine, or other device used to handle or manipulate bees, wax, honey, or hives.

(5) "Bee" means the common honey bee, Apis mellifera, at any stage of development.

(6) (a) "Beekeeper" means a person who keeps bees in order to:

(i) collect honey and beeswax;

(ii) pollinate crops; or

(iii) produce bees for sale to other beekeepers.

(b) "Beekeeper" includes an apiarists.

(7) "Colony" means an aggregation of bees in any type of hive that includes queens, workers, drones, or brood.

(8) "Disease" means any disease or abnormal condition of the egg, larval, pupal, or adult stage of bee development.

(9) "Hive" means a frame hive, box hive, box, barrel, log, gum skep, or other artificial or natural receptacle that may be used to house bees.

(10) "Package" means any number of bees in a bee-tight container, with or without a queen, and without comb.

(11) "Parasite" means an organism that parasitizes any developmental stage of a bee.

(12) "Pest" means an organism that:

(a) inflicts damage to a bee or bee colony directly or indirectly; or

(b) may damage apiary equipment in a manner that is likely to have an adverse affect on the health of the colony or an adjacent colony.

(13) "Raise" means:

(a) to hold a colony of bees in a hive for the purpose of pollination, honey production, study, or similar purpose; and

(b) when the person holding a colony, holds the colony or a package of bees in the state for a period of time exceeding 30 days.

(14) "Terminal disease" means a pest, parasite, or pathogen that will kill an occupant colony or subsequent colony on the same equipment.

Amended by Chapter 73, 2010 General Session

4-11-3. Department authorized to make and enforce rules.

The department is authorized, subject to Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to make and enforce such rules as it considers necessary for the administration and enforcement of this chapter. Such rules shall include provisions for the identification of each apiary within the state.

Amended by Chapter 382, 2008 General Session

4-11-4. Bee raising -- Registration required -- Application -- Fees -- Renewal -- Wax-salvage plants -- License required -- Application -- Fees -- Renewal.

(1) (a) A person may not raise bees in this state without being registered with the department.

(b) Application for registration to raise bees shall be made to the department upon tangible or electronic forms prescribed and furnished by the department, within 30 days after the person:

(i) takes possession of the bees; or

(ii) moves the bees into the state.

(c) Nothing in Subsection (1)(b) limits the requirements of Section 4-11-11.

(d) An application in accordance with this chapter shall specify:

(i) the name and address of the applicant;

(ii) the number of bee colonies owned by the applicant at the time of the application that will be present in the state for a period exceeding 30 days; and

(iii) any other relevant information the department considers appropriate.

(e) Upon receipt of a proper application and payment of an annual registration fee determined by the department pursuant to Subsection 4-2-2(2), the commissioner shall issue a registration to the applicant valid through December 31 of the year in which the registration is issued, subject to suspension or revocation for cause.

(f) A bee registration is renewable for a period of one year upon the payment of an annual registration renewal fee as determined by the department pursuant to Subsection 4-2-2(2).

(g) Registration shall be renewed on or before December 31 of each year.

(2) (a) A person may not operate a wax-salvage plant without a license issued by the department.

(b) Application for a license to operate a wax-salvage plant shall be made to the department upon tangible or electronic forms prescribed and furnished by the department.

(c) The application shall specify such information as the department considers appropriate.

(d) Upon receipt of a proper application and payment of a license fee as determined by the department pursuant to Subsection 4-2-2(2), the commissioner, if satisfied that the convenience and necessity of the industry and the public will be served, shall issue a license entitling the applicant to operate a wax-salvage plant through December 31 of the year in which the license is issued, subject to suspension or revocation for cause.

(e) A wax-salvage license is renewable for a period of one year, on or before December 31 of each year, upon the payment of an annual license renewal fee as determined by the department pursuant to Subsection 4-2-2(2).

Amended by Chapter 73, 2010 General Session

4-11-5. County bee inspector -- Appointment -- Termination -- Compensation.

(1) The county executive upon the petition of five or more persons who raise bees within the respective county shall, with the approval of the commissioner, appoint a qualified person to act as a bee inspector within the county.

(2) A county bee inspector shall be employed at the pleasure of the county executive and the commissioner, and is subject to termination of employment, with or without cause, at the instance of either.

(3) Compensation for the county bee inspector shall be fixed by the county legislative body.

(4) To be appointed a county bee inspector, a person shall demonstrate adequate training and knowledge related to this chapter, bee diseases, and pests.

(5) A record concerning bee inspection shall be kept by the county executive or commissioner.

(6) The county executive and the commissioner shall investigate a formal, written complaint against a county bee inspector.

(7) The department may authorize an inspection if:

(a) a county bee inspector is not appointed; and

(b) a conflict of interest arises with a county bee inspector.

Amended by Chapter 73, 2010 General Session

4-11-6. Hives to have removable frames -- Consent of county bee inspector to sell or transport diseased bees.

(1) A person may not house or keep bees in a hive unless it is equipped with movable frames to all its parts so that access to the hive can be had without difficulty.

(2) No person who owns or has possession of bees (whether queens or workers) with knowledge that they are infected with terminal disease, parasites, or pests, or with knowledge that they have been exposed to terminal disease, parasites, or pests, shall sell, barter, give away, or move the bees, colonies, or apiary equipment without the consent of the county bee inspector or the department.

Amended by Chapter 73, 2010 General Session

4-11-7. Inspector -- Duties -- Diseased apiaries -- Examination of diseased bees by department -- Election to transport bees to wax-salvage plant.

(1) The county bee inspector or the department shall inspect all apiaries within the county at least once each year and, also, inspect immediately any apiary within the county that is alleged in a written complaint to be severely diseased, parasitized, or

abandoned.

(2) If, upon inspection, the inspector determines that an apiary is diseased or parasitized, the inspector shall take the following action based on the severity of the disease or parasite present:

(a) prescribe the course of treatment that the owner or caretaker of the bees shall follow to eliminate the disease or parasite;

(b) personally, for the purpose of treatment approved by the department, take control of the afflicted bees, hives, combs, broods, honey, and equipment; or

(c) destroy the afflicted bees and, if necessary, their hives, combs, broods, honey, and all appliances that may have become infected.

(3) If, upon reinspection, the inspector determines that the responsible party has not executed the course of treatment prescribed by Subsection (2), the inspector may take immediate possession of the afflicted colony for control or destruction in accordance with Subsection (2)(b) or (c).

(4) (a) The owner of an apiary who is dissatisfied with the diagnosis or course of action proposed by an inspector under this section may, at the owner's expense, have the department examine the alleged diseased bees.

(b) The decision of the commissioner with respect to the condition of bees at the time of the examination is final and conclusive upon the owner and the inspector involved.

(5) The owner of a diseased apiary, notwithstanding the provisions of Subsections (2), (3), and (4), may elect under the direction of the county bee inspector to kill the diseased bees, seal their hives, and transport them to a licensed wax-salvage plant.

Amended by Chapter 73, 2010 General Session

4-11-8. County bee inspector -- Disinfection required before leaving apiary with diseased bees.

(1) Before leaving the premises of any apiary where disease exists, the county bee inspector, or any assistant, shall thoroughly disinfect any part of the inspector's own person, clothing, or any appliance that has come in contact with infected material.

(2) The method of disinfection required by Subsection (1):

(a) may be determined by the department; and

(b) shall be sufficient to destroy disease, parasites, and pathogens encountered.

(3) A county bee inspector shall maintain a record of each inspection, including disinfection practices.

(4) The county executive or the commissioner may review a county bee inspector's records kept in accordance with Subsection (3).

Amended by Chapter 73, 2010 General Session

4-11-9. Inspection of apiaries where queen bees raised for sale -- Honey from apiaries where queen bees raised for sale not to be used for candy for mailing cages unless boiled.

(1) (a) At least twice each summer the county bee inspector shall inspect each

apiary in which queen bees are raised for sale.

(b) A person may not sell or transport any queen bee from an apiary that is found to be infected with disease, without the consent of the county bee inspector or the department.

(2) No person engaged in raising queen bees for sale shall use any honey for making candy for mailing cages that has not been boiled for at least 30 minutes.

(3) A person rearing queens shall follow standard methods for minimizing or eliminating unmanageably aggressive stock.

Amended by Chapter 73, 2010 General Session

4-11-10. Enforcement -- Inspections authorized -- Warrants.

(1) The department and all county bee inspectors shall have access to all apiaries or places where bees, hives, and appliances are kept for the purpose of enforcing this chapter.

(2) If admittance is refused, the department, or the county bee inspector involved, may proceed immediately to obtain an ex parte warrant from the nearest court of competent jurisdiction to allow entry upon the premises for the purpose of making an inspection.

Amended by Chapter 73, 2010 General Session

4-11-11. Importation of bees or appliances into state -- Certification required -- Inspection discretionary -- Authority to require destruction or removal of diseased bees and appliances.

(1) (a) A person may not bring or import any bees in packages or hives or bring or import any used beekeeping equipment or appliances into this state, except after obtaining a certificate from an inspector authorized in the state of origin certifying that the bees, apiary equipment, or appliances have been inspected within the current production season, and that all diseased colonies in the apiary at the time of the inspection were destroyed or removed to a licensed wax-salvage plant before the issuance of the certificate.

(b) A person bringing or importing bees into the state shall advise the department of the address of the bees destination and furnish the department with a copy of the certificate of inspection either:

(i) within at least five working days before the bees enter the state; or

(ii) upon entry into the state.

(c) A person intending to hold bees in the state for a period of time exceeding 30 days shall comply with Section 4-11-4.

(2) (a) A person may not bring or import any used apiary equipment, except after obtaining a certificate from an inspector authorized in the state of origin certifying that all potentially pathogen-conductive apiary equipment or appliances are appropriately sterilized immediately before importation.

(b) A person bringing or importing used apiary equipment shall advise the department of the address of the destination in the state and furnish the department with a copy of the certificate of inspection either:

(i) within at least five working days before the bees enter the state; or

(ii) upon entry into the state.

(3) Used apiary equipment or appliances that have been exposed to terminal disease may not be sold without the consent of the county bee inspector or the commissioner.

(4) In lieu of Subsection (1), the certificate may be a Utah certificate.

(5) (a) If the department determines it is necessary for any reason to inspect any bees, apiary equipment, or appliance upon arrival at a destination in this state, and upon this inspection finds terminal disease, the department shall cause all diseased colonies, appliances, and equipment to be either:

(i) destroyed immediately; or

(ii) removed from the state within 48 hours.

(b) The costs under Subsection (5)(a)(i) or (ii) shall be paid by the person bringing the diseased colonies, appliances, or equipment into the state.

Amended by Chapter 73, 2010 General Session

4-11-12. Quarantine authorized.

The commissioner, in order to protect the bee industry of the state against bee health or management issues, may quarantine the entire state, an entire county, or any apiary or specific hive within the state, as the commissioner considers necessary.

Amended by Chapter 73, 2010 General Session

4-11-13. Unlawful acts specified.

It is unlawful for a person to:

(1) extract honey in any place where bees can gain access either during or after the extraction process;

(2) remove honey or wax, or attempt to salvage, or salvage any hives, apiary equipment, or appliances from a diseased colony, except in a licensed wax-salvage plant, unless specifically authorized by a county bee inspector or the commissioner;

(3) maintain any neglected or abandoned hives, apiary equipment, or appliances other than in an enclosure that prohibits the entrance of bees;

(4) raise bees without being registered with the department;

(5) operate a wax-salvage plant without a license;

(6) store an empty hive body, apiary equipment, or appliances in a manner that may propagate pests, disease, or bee feeding frenzy; or

(7) knowingly sell a colony, apiary equipment, or appliances that are inoculated with terminal disease pathogens.

Amended by Chapter 73, 2010 General Session

4-11-14. Maintenance of abandoned apiary, equipment, or appliance -- Nuisance.

(1) It is a public nuisance to keep or maintain an abandoned apiary, apiary equipment, or appliance other than in an enclosure that prohibits the entry of bees.

(2) Items listed in Subsection (1) are subject to seizure and destruction by the county bee inspector.

(3) Upon discovery of, or receipt of a written complaint concerning, an abandoned apiary site, apiary equipment, or appliance, the county bee inspector shall attempt to notify the registered owner, if any.

(4) (a) A registered owner notified under Subsection (3) shall remove the abandoned apiary, apiary equipment, or appliance or provide a bee-proof enclosure within 15 days.

(b) The county bee inspector or the department shall verify the removal or protection in accordance with Subsection (4)(a) at the expiration of the 15-day period.

(c) If a registered owner does not comply with Subsection (4)(a), the county bee inspector or the department may seize and destroy the abandoned apiary, apiary equipment, and appliances.

(5) A county bee inspector or the department may seize and destroy an abandoned apiary, apiary equipment, or appliances if the abandoned apiary, apiary equipment, or appliances do not indicate a registered owner.

Amended by Chapter 73, 2010 General Session

4-11-15. Wax-salvage operations -- County bee inspector to supervise compliance with rules -- Salvage procedures specified.

(1) All wax-salvage operations with respect to wax, hives, apiary equipment, and appliances that have been exposed to disease pathogens shall be performed under the direction and supervision of the county bee inspector according to procedures established by rules of the department.

(2) A wax salvage operation shall be conducted in an enclosure that is tightly double-screened to prevent the possible entrance of bees.

(3) Entrance to the enclosure shall be through a vestibule, double-screened in the same manner as the enclosure, with tight-fitting doors at each end.

(4) All boiling or melting of any noncontaminated apiary equipment, such as cappings, honey supers, hives, or frames shall be done in a bee tight enclosure.

Amended by Chapter 73, 2010 General Session

4-11-17. Maintaining gentle stock.

A beekeeper may not intentionally maintain an aggressive or unmanageable stock, whether African or European in origin.

Enacted by Chapter 73, 2010 General Session

Best Management Practices for Honey Bee Colonies: Good Neighbor Guidelines and Ordinances
Amended by: Danielle Downey

Introduction
Beekeeping is becoming increasingly popular in Utah. Utah currently has approximately 600 registered beekeepers, who manage ~30,000 honey bee colonies. Beekeeping provides honey for home consumption, pollination services for farmers, and general enjoyment for those who practice it. Despite the many benefits of honey bees and beekeeping, bees can sting people and require proper and responsible management so they do not become a nuisance to neighbors. Additionally, the discovery of the African honey bee in Utah places more pressure on beekeepers to properly maintain their colonies (for information about African honey bees, see: http://ag.utah.gov/news/africanmainpage.html

This document is intended as a reference for proper honey bee management in Utah, with particular emphasis on siting apiaries in urban/suburban locations. It may serve as a guideline for local governments, a resource for information to reinforce community confidence in the safety of beekeeping, a standard reference should complaints or conflicts about beekeeping activities arise, and a compendium of best management practices that all Utah beekeepers are encouraged to follow.

It is intended that these Best Management Practices (BMPs) form a prescription for harmonious cooperation between beekeepers, neighbors, and landowners. The guidelines for bee colony management in these BMPs also constitute a standard that beekeepers operating in Utah may follow and could be recognized as such by apiarists, decision-making authorities, and the general public. Finally, in the case of ordinances enacted by local authorities, the BMPs provide a consistent approach for clarifying and resolving issues.

Definitions
As used in this document, the following words and terms have the meanings ascribed in this section unless the context of their usage clearly indicates another meaning:

1. Apiary means the assembly of one or more colonies of bees at a single location.
2. Beekeeper means a person who owns or has charge of one or more colonies of bees.
3. Beekeeping equipment means anything used in the operation of an apiary, such as hive bodies, supers, frames, top and bottom boards, and extractors.
4. Colony or Hive means an aggregate of bees consisting principally of workers, but having, when perfect, one queen and, at times, many drones, brood (immature honey bees – eggs, larvae, pupae), combs, honey, and the receptacle inhabited by the bees.
5. Honey bee means all life stages of the common domestic honey bee, *Apis mellifera*.
6. Tract means a contiguous parcel of land under common ownership.
7. Undeveloped property means any idle land that is not improved or actually in the process of being improved with residential, commercial, industrial, church, park, school or governmental facilities or other structures or improvements intended for human use occupancy and the grounds maintained in association therewith. The term includes property developed exclusively as a street or highway or property used for commercial agricultural purposes.

Requirement to Register
People keeping bees (any number of colonies) in Utah are required by law to register with the Utah Department of Agriculture and Food (UDAF- http://webapp.ag.utah.gov/LicenseLookup/). Renewal forms are sent annually to previously registered beekeepers for return to the UDAF-Division of Plant Industry along with the appropriate annual fee specified in the fee schedule. For more information on registering bee colonies in Utah, see: http://ag.utah.gov/licensing/documents/1201a.pdf

Hive Type
All honey bee colonies should be kept in hives with removable frames. The hives should be kept in sound and usable condition.

Fencing of Flyways
In instances where colonies are situated within 25 feet of a public or private property line of the tract upon which the apiary is situated, as measured from the nearest point on the hive to the property line, the beekeeper should establish and maintain a flyway barrier. The barrier should be at least 6 feet in height consisting of a solid wall, fence, dense vegetation or combination thereof and should run parallel to the property line. The barrier also should extend 10 feet beyond the colony in each direction so that all bees are forced to fly at an elevation of at least 6 feet above ground level over the property lines in the vicinity of the apiary.

Water
Beekeepers should ensure that a convenient source of water is available to their bees so that the bees will not congregate at swimming pools, pet watering bowls, or other watering sources where they may contact humans, birds, or domestic pets. Some sources of water that beekeepers can provide include: (1) a tub of water with wood floats to prevent the bees from drowning, (2) a faucet in the apiary that is left to drip steadily, or (3) filling Boardman entrance feeders (quart jars with holes in the lids) with water and placing them on the colony(ies). If using tubs of water, the water should be changed periodically to avoid stagnation and mosquito breeding. Water must be provided between March 1 and October 31.

Robbing Behavior
When nectar is scarce, honey bees may rob honey from other hives. Under such conditions, beekeepers should work hives for only a very short time, if at all. Keep exposed honey or sugar water to a minimum and use entrance reducers to prevent robbing. **Honey extraction** must be done in a location and manner such that bees do not start this feeding frenzy.

General Maintenance
Each beekeeper should ensure that no bee comb or other materials are left on the grounds of the apiary site. Upon their removal from the hive, all such materials should be disposed of promptly in a sealed container or placed within a building or other bee-proof enclosure.

Africanized Honeybee in Utah
The Africanized Honeybee has been detected in Washington, Iron and Kane Counties but could be moved unknowingly from those areas to anywhere in the state. Thus it is recommended that all beekeepers follow these practices to minimize risk. Beekeepers are encouraged to follow Utah's

Best Management Practices for Maintaining European Honey Bee Colonies.

1. Beekeepers shall maintain a valid registration with UDAF.
2. A Utah apiary may be deemed as EHB (European Honey Bee) with a minimum 10% random survey of colonies using the FABIS (Fast African Bee Identification System), the computer-assisted morphometric procedure, ie. Universal System for the Detection of Africanized Honey Bees (AHB) (USDA-ID), and/or other methods approved by UDAF on a yearly basis as requested.
3. Honey bee colony divisions or splits should be queened with production queens or queen cells from EHB breeder queens following "Best Management Practices for Producing Honey Bee Queens in Utah".
4. Utah beekeepers are discouraged from collecting swarms that cannot be immediately re-queened with queens acquired from EHB queen producers.
5. Utah beekeepers should practice good swarm prevention techniques to prevent an abundance of virgin queens and their ready mating with available AHB drones that carry the defensive trait.
6. Maintain all EHB colonies in a strong, healthy, populous condition to discourage usurpation (take over) swarms of AHB.
7. Do not allow any weak or empty colonies to exist in an apiary, as they may be attractive to AHB swarms.
8. In areas known to host AHB, recommend re-queening with European stock every six months unless using marked or clipped queens and having in possession a bill of sale from an EHB Queen Producer.
9. In areas known to host AHB, immediately re-queen with a European queen if previously installed clipped or marked queen is missing.
10. In areas known to host AHB, maintain one European drone source colony (250 square inches of drone comb/colony = both sides of 1 deep frame) for every 10 colonies in order to reduce supercedure queens mating with AHB drones.
11. Treat all honey bees with respect.

Queens
All colonies should be maintained with marked queens produced by breeders following "Best Management Practices for Producing Honey Bee Queens in Florida" or similar best management practices. When a colony exhibits unusual aggressive characteristics by stinging or attempting to sting without due provocation or exhibits an unusual disposition toward swarming, the beekeeper should re-queen the colony with another marked queen.
Apiary Identification and Location
In addition to the State of Utah Apiary Inspection Law regarding identification of honey bee hives the beekeeper should conspicuously post a sign setting forth his/her name, phone number, and/or license number.

The beekeeper should be the person or persons who own or otherwise have the present right of possession and control of the tract upon which a hive or hives are situated. If the beekeeper does not own the land, written permission to keep bees there is required.
To protect public safety and reduce beekeeping liability, apiaries should not be sited in proximity to tethered or confined animals, students, the elderly, general public, drivers on public roadways, or visitors where animal/bee and people/bee interactions may have a higher likelihood of occurring.

Inspection
Each Utah Apiary should be inspected and a report issued by an authorized representative of UDAF at such intervals as UDAF deems best for detection of honey bee pests and unwanted races of honey bees.

Selected References
This document adapted from Florida Department of Agriculture and Cosumer Services Document prepared by Jerry Hayes and Jamie Ellis.

O'Malley MK, Ellis JD, Neal AS. (2007). African honey bee information for school administrators. *EDIS*. ENY-141. http://edis.ifas.ufl.edu/IN739 (December 2007).

Ellis JD, Ellis Amanda. (2009). African Honey Bee, Africanized Honey Bee, Killer Bee, Apis mellifera scutellata, Lepeletier (Insecta: Hymenoptera: Apidea). *EDIS*. EENY-429. http://edis.ifas.ufl.edu/document_in790 (February 2009).

Best Management Practices for Maintaining European Honey Bee Colonies. FDACS-DPI. http://www.doacs.state.fl.us/pi/plantinsp/apiary/apiary.html

Best Management Practices for Producing Honey Bee Queens in Florida. FDACS-DPI. http://www.doacs.state.fl.us/pi/plantinsp/apiary/apiary.html

SLC Green - Beekeeping in Salt Lake City

Salt Lake City has made changes to city ordinances to relax restrictions and allow residential beekeeping. Residential bees benefit our community in a variety of ways while providing a sustainable, healthy and fun source of food.

Over the past 50 years domesticated bee populations have decreased by 50%. These animals are critical in our food production because of the pollination services they provide. Pollination by bees alone is responsible for 15-30% of the food eaten in the United States. Concerns about "killer" bees led to a ban on beekeeping in Salt Lake City in the 1980s, however, domestic strains of honeybees have been selectively bred for their gentleness and can be safely kept in populated areas with proper maintainance.

Finally, raising bees at home can help reconnect the divide that has been created between the American diet and food production. Playing a larger role in the production of the food on your table will help foster a greater understanding of and appreciation for what you eat.

Conditions for Residential Beekeeping

- Beekeeper must be registered with the Utah Department of Agriculture
- Hives must be in side or rear yard
- Bees permitted:common Honeybee (Apis mellifera) at any stage of its life, exluding the African Honeybee (Apis mellifera scutellata) and any hybrids
- Hives must have removeable frames
- Hives must be five (5) feet from property line
- Bees must have easy access to water on owner's property
- Hives must be placed so that general flight patterns avoid contact with humans and domestic animals
- Hive must be maintained according to Utah Bee Inspection Act

Beekeeping Ordinance (http://www.slcdocs.com/slcgreen/Beekeeping_ORDINANCE.pdf)

Apply for a Permit

All those interested in keeping bees must apply for a license through the Utah Department of Agriculture.

Permit Application (http://ag.utah.gov/documents/1201a.pdf)

Report a Swarm

Report a swarm to the Utah Beekeepers Association (http://www.utahbeekeepers.com/UBA%20Swarm%20Page.html)

Beekeeping: some frequently asked questions

Is a license necessary to keep honeybees?

Yes. Even if you only have one hive, you must register with the Utah Department of Agriculture and Food (UDAF) within 30 days of receiving your bees.

Why should I register my bees?

It is crucial that your beekeeping registration is kept current to **protect the health of your bees**. American foulbrood (AFB) is a highly contagious and devastating disease that is in Utah; UDAF has no way of warning beekeepers about outbreaks of this disease if they are not registered. Registered beekeepers also receive complementary health surveys, information about honeybee health and best management practices, and will be warned about movements of Africanized honeybees in the state.

What else is required?

⇒ Your beekeeping license number should be prominently displayed in the apiary (i.e. painting the number on a hive box with a stencil).

⇒ Unused equipment and tools should be stored in a bee-proof location.

⇒ Honey can only be extracted in a bee-proof location.

⇒ The county bee inspector or a UDAF apiary specialist may inspect your hive once a year.

⇒ Your city or county may have additional requirements or prohibit beekeeping altogether. Contact your local government for more information.

**Please see the Utah Bee Inspection Act for all regulations*

How do I protect my bees from disease?

⇒ Keep your registration current. UDAF alerts registered beekeepers when there are outbreaks of AFB or other health issues.

⇒ Know the signs and symptoms of AFB and European foulbrood (EFB). Examine your brood comb for these diseases during inspections.

⇒ Never share equipment or hive tools with another beekeeper unless you are certain they are free from disease or have been sterilized.

⇒ When purchasing bees request the seller provide a health certificate from the state of origin.

How do I protect my bees from varroa mites?

Make management decisions based on mite population levels. Measure your mite presence with a sticky screen, ether roll or powdered sugar roll. Don't let your mite load exceed 5% of the colony's population (or 5 mites for every 100 bees).

What if I think my colonies are diseased?

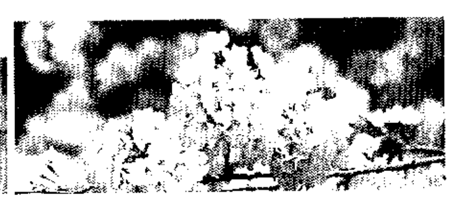
If you believe you have AFB or EFB contact your county bee inspector or UDAF for a complementary health survey. We can provide testing services and treatment options. See the next page for contact information.

How do I get more information?

Our website has information about disease prevention and diagnosis and best management practices.

Please visit:

http://ag.utah.gov/plants-pests/beekeeping.html



County Bee Inspectors

Bee inspectors are available to assist beekeepers in Utah. Contact your county bee inspector or UDAF Apiary Program with questions or concerns. If your county does not have a bee inspector, you are welcome to contact an inspector from a neighboring county.

County	Name	Phone	Email
Box Elder	Martin James	(435) 760-0805	martin@slideridgehoney.com
Cache	Martin James	(435) 760-0805	martin@slideridgehoney.com
Davis	Roman Frazier	(561) 801-6321	rfra358515@bellsouth.net
Duschene	Steve Yack	(435) 823-6153	Yack3YYY@yahoo.com
Grand	Jerry Shue	(435) 260-8581	shue.jerry@gmail.com
Iron	Blaine Nay	(435) 590-7569	blaine@nay.org
Millard	Gary Dutson	(435) 864-4844	
Salt Lake	Chris Rodesch	(801) 633-6589	chrisrodesch@gmail.com
Sanpete	John Scott	(435) 283-9457	scottjg@ldschurch.org
Tooele	Kelly Keele	(435) 830-3888	
Utah (north)	Neil Shelley	(801) 822-4114	neil@utahcountybeekeepers.org
Utah (south)	Charles Siglar	(801) 794-2586	swarm@utahcountybeekeepers.org
Washington	Casey Lofthouse	(435) 467-2787	cblofty@cpaz.net
Weber	Brock Lenox	(801) 444-9220	brlenox@gmail.com

UDAF Apiary Program

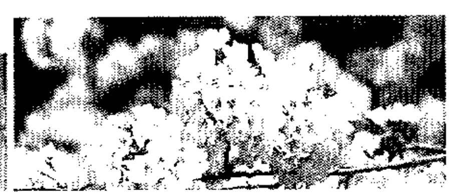
UDAF offers complementary health survey and testing services for AFB, EFB, nosema, and tracheal mites. If you are interested in any of these services, please contact:

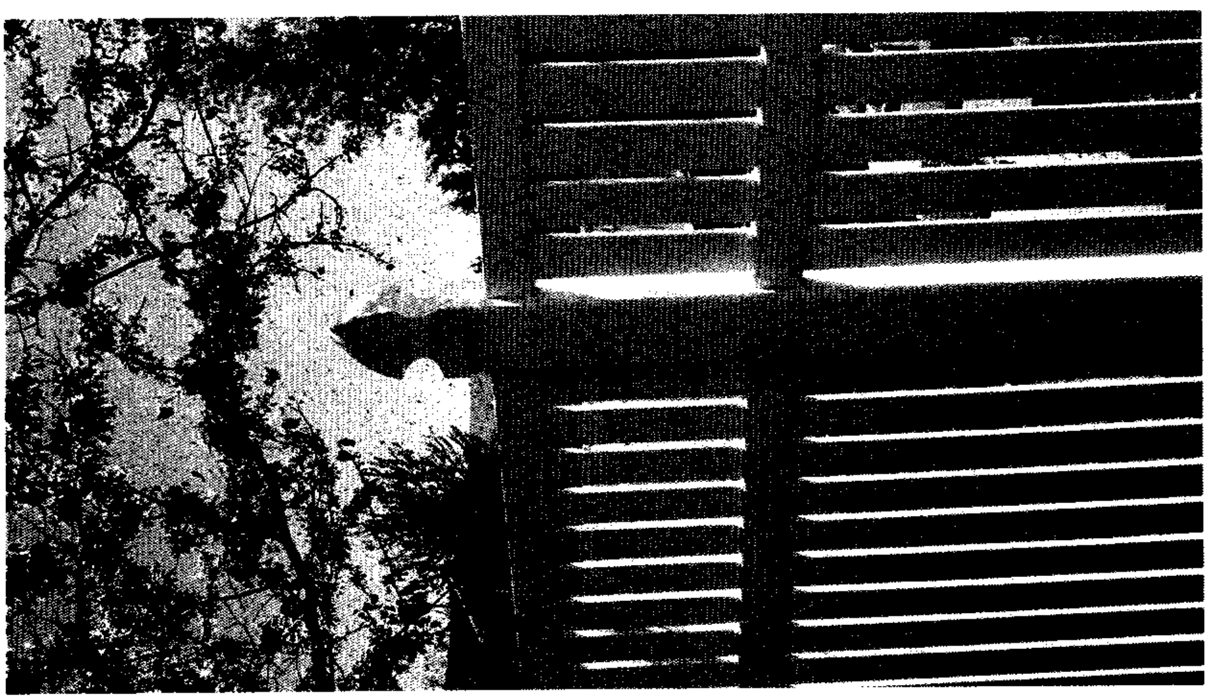
Clint Burfitt

Apiary Program Manager

(801) 538-7184

cburfitt@utah.gov





Minutes of the Centerville City Planning Commission meeting held Wednesday, May 14, 2014 at 7:00 p.m. in the Centerville City Community Center and City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Davis Hirschi, Chair
Gina Hirst
Logan Johnson
Scott Kjar
Kevin Merrill
Debra Randall

STAFF PRESENT

Cory Snyder, Community Development Director
Brandon Toponce, Assistant Planner
Lisa Romney, City Attorney
Connie Larson, Recording Secretary

VISITORS

Sherry Cutler (Mayor's wife)
Scott Argyle
Susan Frigm
Daren Garner
Barbara Gilbert
Peggy Gustapm
Paul Mathews
Matt Michel
David Youngberg

RESIGNATION OF PLANNING COMMISSION MEMBER

Chair Hirschi stated that Commissioner Brian Holman has submitted his resignation from the Planning Commission effective immediately.

PLEDGE OF ALLEGIANCE

OPENING COMMENT/LEGISLATIVE PRAYER Commissioner Kjar

MINUTES REVIEW AND APPROVAL

Commissioner Kjar made a **motion** to table approval of the April 23, 2014 meeting minutes until the next meeting. Commissioner Johnson seconded the motion, which was passed by unanimous vote (6-0).

DISCUSSION – ACCESSORY DWELLING UNITS (ADU'S) – Discuss the modified outline and Commissioners comments on the draft press release for public awareness

Cory Snyder, explained the City Council has assigned the process for considering the possibility of Access Dwelling Units (ADU's) in the City. A work outline was presented at the last meeting and minor edits have been made. The second phase discusses examining what kind of regulations and issues are available, and then come to a common understanding of how these are treated from a zoning and planning perspective before an ordinance is considered. A press release to the *Davis County Clipper* will be done first, and then an Accessory Dwelling Unit brief will be posted on the City website. A draft of the press release was reviewed and approved with minor changes. Mr. Snyder said he will talk with the *Davis County Clipper* to discuss a publication date, hopefully for the end of May or first of June.

PUBLIC HEARING – 1872 NORTH MAIN STREET SUBDIVISION – *(TABLED FROM JULY 10, 2013)* – Consideration of a conceptual subdivision (flag lot subdivision) for the 1872 North Main Street Subdivision; which consists of four lots, located in the R-L Zone. Paul Cutler, Applicant

Cory Snyder, Community Development Director, reported this item was tabled from the July 10, 2013 Planning Commission meeting. This is an infill piece of property, which the Cutler family owns with several different buildings on it. The flag lot option was considered, and from their perspective, there was not enough room for a thru road. They wanted to take advantage of the Flag Lot Ordinance to divide the parcel into lots. Last July, the applicant proposed to subdivide the lot with two flag lots, and a flag stem between the two lots. There were problems with the small subdivision waiver and the Ordinance, because there is a cap limit of two lots. There was also the issue of how the Flag Lot Ordinance itself interfaces with the small subdivision process and design consideration. The Planning Commission tabled the item so the Ordinance could be addressed.

The City moved forward at a staff level with changes to the Flag Lot Ordinance and the small lot definition. Ultimately, the City Council adopted some amendments to the Small Subdivision Ordinance. Under State regulations, the City has the option with ten or less lots to decide how to subdivide the lots. The Flag Lot Ordinance has a cap of two flag-lots, so it can be included in the Small Subdivision Ordinance. The plat and construction drawings are moving forward, and the Hillside Overlay Ordinance is a tool in the zoning that lays on top of the land. This parcel is located in the Overlay Zone, and the slopes and geological hazards must be considered. The slope is at ten percent, but drainage is the largest component. Staff will have the City Engineer do further studies on the geological reports. If the lot is subdivided there is an accessory dwelling that is 35 years old that must meet the criteria. Staff recommends approval of the conceptual subdivision.

Commissioner Merrill asked why the road is not called a private road rather than a flag lot stem. Mr. Snyder explained it is a flag lot stem, because the road will be an access point attached with a singular piece of property with easements on top of the road for additional property access. The fire department is not requiring a fire hydrant, but they are requiring access for the fire trucks. There is a hammerhead turn lane added for this purpose, because the fire code requires a turn lane when there is a road depth greater than 250 feet.

Chair Hirschi asked what kind of access agreement has been reached. Mr. Snyder explained the City Attorney will respond to the access agreement. Chair Hirschi asked for clarification on the conversion and security of the primary dwelling that is on the lot. Mr. Snyder said this is for the "A" frame structure that was built in the 1970s when the County was managing the permits. The "A" frame home is being kept for now, because all of the buildings are connected to the existing home on Main Street. The Ordinance will not allow a standalone lot with accessory buildings without a home. The west building is the primary focus, and is likely a dwelling and must meet the setback requirements. The pool house has been used as an apartment, and was built in 1964.

Scott Argyle, Engineer, said his partner is out of town, and his partner has been doing most of the work on this project.

Chair Hirschi opened the public comment portion of the hearing. There was no one wishing to comment, and the public hearing was closed.

Commissioner Hirst made a **motion** to approve the request for a small subdivision waiver/flag lot for properties located at 1872 North Main Street, with the following conditions to be completed or submitted to City staff prior to or as part of finalizing and recording the subdivision plat:

1. This small subdivision waiver approval consists of allowing up to four (4) lots, with no more than two (2) flag style lots.
2. The applicant shall prepare the final subdivision construction drawings, which shall be deemed acceptable by the City Engineer.
3. The applicant shall prepare a final paper version of the subdivision plat and submit it to the City Engineer and City Attorney for review and comment, prior to preparing and submitting the final mylar linen subdivision plat.
4. Lot #3 shall be corrected to comply with a minimum buildable area of 5,000 square feet.
5. The geologic and soils subjects shall be satisfied in accordance with the Hillside Overlay Standards. The applicant shall coordinate with the City Engineer to determine if surrounding previous studies adequately identify and/or address such concerns.
6. If the City Engineer deems it necessary, the applicant shall provide a partial or full geologic or soils study(s).

7. After reviewing the geologic or soils information, if the City Engineer or other staff deems that it is necessary to significantly alter the layout or parameters of the proposed subdivision, then the subdivision shall be remanded back to the Planning Commission for further review and decision.
8. The plans shall address the issue of maintenance responsibilities for the flag lot access stem and fire access turn-around, which shall be deemed acceptable by the City Attorney.
9. For Lot 2, a remediation plan shall be prepared and submitted for the existing buildings, which shall be deemed acceptable by City staff. The potential options to consider are:
    a. Convert and secure the approval to establish a primary dwelling within or part of the west structure *(the east structure does not meet setbacks for a primary dwelling).*
    b. Provide to the City, a demolition bond prior to plat recording with a demolition deadline set for a definitive date.
    c. Provide a plat note that restricts the buildings from being used, modified, or occupied until a primary dwelling is established.
    d. Record non-compliance certificates against Lot 2 until the structures are removed or a primary dwelling is established.
    e. Demolish the accessory structures prior to final subdivision plat recording.

Suggested Reasons for the Action (Findings):

a. The Planning Commission finds that with the conditions imposed, the proposed subdivision meets the City's Subdivision Standards, as listed in Title 15.
b. The Planning Commission finds that the proposed subdivision meets the qualifiers for a small subdivision waiver and allowing for flag lot development.
c. The Planning Commission finds that with the conditions imposed, the subdivision meets the Hillside Overlay District regulatory provisions.
d. The Planning Commission finds that the layout and with the conditions imposed, that the subdivision meets the regulatory provisions for allowing flag lots.
e. The Planning Commission finds that with the conditions imposed, the status of the accessory buildings meets the regulatory provisions regarding the establishment of a primary use in conjunction with or prior to the construction or use of accessory buildings.

Commissioner Kjar seconded the motion, which was passed by unanimous roll-call vote (6-0).

PUBLIC HEARING – THE HOME DEPOT, 50 NORTH MARKET PLACE DRIVE – Consideration of a conditional use permit (with expiration) for a seasonal sales display and outdoor storage for The Home Depot, located at 50 North Market Drive, in the C-VH Zone. Daren Garner, The Home Depot

Brandon Toponce, Assistant Planner, explained since 2005 The Home Depot has requested a conditional use permit (with an expiration), for their outdoor storage area for extra garden materials during the spring and summer season. These are the terms of the Development Agreement. Temporary storage is allowed with a conditional use permit and a designated display area, if it is temporary. The applicant is required to come to the Planning Commission for approval of a conditional use permit. The request for a conditional use permit was done on a yearly basis, but staff is recommending the conditional use permit for seasonal sales be allowed for five years. The seasonal sales will take18 parking stalls, but there will still be 516 parking stalls. Staff is recommending signage around the outdoor storage area for traffic and pedestrian safety. Staff recommends approval of the conditional use permit that will expire on September 30, 2019.

Chair Hirschi asked if the ordinance specifies the length of the expiration. Mr. Toponce explained the ordinance does not specify the length of the expiration, which is the justification for the five-year extension. Chair Hirschi asked if the conditional use permit is only for the area west of the garden center, and if displays will be allowed in other areas of the parking area. Mr. Toponce explained the applicant cannot add any other displays in the parking area. Commissioner Merrill asked about the extension of the expiration date. The extension date is being recommended because this conditional use has been permitted in the past, and there have been no problems with the applicant. The temporary fencing has been removed, and the area has been cleaned at the end of the season. There have been no complaints received from citizens or neighboring businesses.

Matt Michel, Assistant Merchandise Manager, said the outside area is where all the trees and shrubs are kept.

Chair Hirshi opened the public comment portion of the hearing. There was no one wishing to comment, and the public comment portion of the hearing was closed.

Commissioner Johnson made a **motion** for the Planning Commission to approve a conditional use permit for The Home Depot at 50 North Market Place Drive, with the following conditions:

1. All professional service fees be paid.
2. The conditional use permit shall be in effect from the approval date and shall **expire on September 30, 2019.**
3. The use of the temporary display area shall be from March 1 to September 30 of each year. After which the temporary storage area shall be dismantled.
4. The display area will be located just west of the Garden Center as indicated on the site plan, dated April 28, 2014.
5. The area shall be open during business hours and then secured when The Home Depot is closed.
6. The storage area shall consist of a six-foot fence as indicated in the submitted example, dated April 28, 2014.
7. If the fence is damaged, it shall be repaired within 24 hours.
8. No product shall be located above the six-foot fence, or on the outside of the gate or perimeter fencing.

9. The applicant shall assure that the parking-aisle within the storage area is cut off from two-way traffic and clearly marked.

Suggested Reasons for the Action (Findings):

1. A full application was submitted for a conditional use permit (Section 12-21-100(d)(1)].
2. An accessory use is permitted within a C-VH Zone [Chapter 12-34].
3. The applicant clearly states where the display area will be located, the size, the use and how they will comply with the Development Agreement.
4. The application meets the standards of the Amended Development Agreement for the Centerville Marketplace Planned Commercial Development (Second Amendment, Development Agreement, December 18, 1997).

Commissioner Merrill seconded the motion, which was passed by unanimous roll-call vote (6-0).

PUBLIC HEARING – US TRUCKS, 680 NORTH 1000 WEST, UNITS 7 & 8 – Consideration of a conditional use permit for US Trucks, to sell new service trucks, located at 680 North 1000 West, Units 7 & 8, in the I-H Zone. Paul Mathews, US Trucks, Applicant

Brandon Toponce, Assistant Planner, explained that Paul Mathews asked for a conditional use permit in 2007 for a company called Freewheel Mobility. Over time, the business has changed, and now they install utility equipment such as air compressors, small cranes, and welder drawer units inside trucks. They will continue to do vehicle repair. This is basically the same type of business use as Freeway Mobility, but they no longer service vehicles for people with disabilities. Even though the actual uses are the same, an amendment must be made to the conditional use permit. There have been no enforcement action or complaints, and the use is appropriate for the permit. Any equipment and vehicle deliveries must be made during regular business hours. Staff recommends approval of the conditional use permit.

Chair Hirschi asked about using parking stalls to display vehicles. Mr. Toponce said in the previous conditional use, displaying vehicles was not permitted. Three additional stalls have been added for the display of only three vehicles at a time.

Paul Mathews, applicant, said Freeway Mobility was sold and they have moved to Salt Lake City. The only change to the building is the indoor show room is now a shop, and some of the trucks are in the parking stalls.

Chair Hirschi opened the public comment portion of the meeting. There was no one wishing to comment, and the public comment portion of the hearing was closed.

Commissioner Randall made a **motion** for the Planning Commission to approve the conditional use permit for US Trucks located at 680 North 1000 West, Units 7 & 8, with the following conditions:

1. All fees shall be paid.
2. The use of vehicle sales shall be a permitted and limited to utility trucks containing equipment that has been installed by US Trucks.
3. Installation of the equipment within the trucks shall only be allowed inside of Unit 7 and Unit 8, occupied by US Trucks at 680 North 1000 West.
4. The applicant shall be allowed to utilize three parking stalls in front of Unit 7 and Unit 8 for display of trucks only. These stalls shall be clearly marked for the use of display only.
5. The applicant shall not occupy the designated landscaped areas, or required parking stalls with any outside storage, equipment or display vehicles.
6. Any deliveries or pick-ups shall take place between regular operating hours.

Suggested Reasons for the Action (Findings):

1. The applicant has submitted a full application for a conditional use permit [Section 12-21-100(d)(1)].
2. The use of vehicle and equipment rental or sales is a permitted use within the Industrial-High Zone with a conditional use permit [Table 12-36].
3. The use is consistent with the General Plan of Centerville City [Sections 12-430-3(2), 12-480-6(1H)].
4. Using the site to sell a limited number of utility vehicles is suitable for this property, and will not injure the surrounding tenants or the City.

Commissioner Johnson seconded the motion, which was approved by unanimous roll-call vote (6-0).

PUBLIC HEARING – CODE TEXT AMENDMENT, APIARIES/BEEKEEPING – Consideration of amending various proposed Zoning Ordinance Text Amendment regarding Apiaries/Beekeeping in Chapter 12-36, Table of Uses and Chapter 12-12, Definitions. Centerville City, Applicant

Cory Snyder, Community Development Director, reported the City Council directed the Planning Commission to prepare zoning text amendments to remove the prohibition of apiaries or beekeeping. In the March 19, 2014 City Council meeting, comments were made about the regulation of beekeeping, and whether the City did or did not regulate beekeeping. The City Codes actually do currently regulate beekeeping. They are classified under the definition of animal specialties, which is the same as chicken and egg production, except for an allowance on a limited basis. The agricultural zoning does allow for limited chicken raising, but not beekeeping. The State does not fully regulate beekeeping, but the City Council felt that the State regulations were sufficient for the City. After researching, staff could not find any guidelines for beekeeping in the General Plan or Zoning Ordinances. The Zoning Ordinance allows for chickens for home production, and if allowed, this is where bee keeping could apply.

Staff believes the State statues are focused chiefly on the process of keeping a healthy bee population and controlling related diseases rather than on the land use planning interests. Staff believes this is probably shortsighted to expect the State and County to manage a local land use conflict that may occur regarding the keeping of bees within the city. There are several cities that are using land use ordinances to regulate beekeeping. Staff recommends denial of the City Council amendment allowing State regulations to manage local beekeeping.

Commissioner Kjar asked under what conditions a bee ordinance would be allowed. Mr. Snyder said it is currently prohibited in residential areas. The movement toward self-sustainability has changed the feelings of many people, such as what already happened with chickens. This is now occurring with bees. Chair Hirschi expressed concern of the current ordinance that prohibits bees, and he suggested adopting an ordinance to allow beekeeping and regulating beehives.

Chair Hirschi opened the public hearing for comments.

Susan Frigm, 1499 North 600 West, Centerville. Mrs. Frigm said she approves of bees for holistic reasons, but she lives next door to neighbor who has apiaries on a quarter acre lot. She has researched bees, and gave her findings to the Commission. Her findings are that bees should only be on large plots of land that are zoned for agricultural purposes. Honeybees are able to swarm and move at will. She has been chased by swarms of bees into her garage and home, and has been stung by the bees. Beehives attract rodents, and she has had to call an exterminator twice because of rats and voles. Honeybees will build hives inside cracks in homes, and then they attract rodents in the homes. Bees secrete a yellow substance that is deposited on her car. Bees live for an average of 25 days, and she is constantly removing dead bees. She feels that in order to protect public safety, bee apiaries should not be allowed in residential areas.

David Youngberg, 269 East 1200 North, Centerville. Mr. Youngberg is a beekeeper. He called City Hall last fall to ask what the regulations are for beekeeping in Centerville, and he was told bees are not regulated in Centerville. Mr. Youngberg is a member of the Wasatch Bee Association, and stated that the problems most people have are not with bees but with hornets. Beehives in Utah must be licensed and identified with the owner. If the hives are not licensed, they must be removed. He would like to see the City ordinance prohibiting apiaries removed. He contacted all of his neighbors to inform them of his bees and to see if anyone was allergic to bees. He said all of his neighbors were supportive of his beekeeping, and their gardens and fruit trees have had better production.

Commissioner Kjar asked how the rodents get into the honey. Mrs. Frigm said she doesn't know how they get into the honey, but they are attracted to it by the smell and sweetness.

Chair Hirschi closed the comment portion of the public hearing.

Chair Hirschi stated there is a need for an ordinance that will allow the City to regulate beekeeping, and this matter requires further research. The Commission agreed some type of ordinance regulating the number of apiaries must be established.

Commissioner Kjar made a **motion** to table this issue with the recommendation that more provisions be added to the ordinance. Chair Hirschi seconded the motion, which failed by a roll-call vote of (2-4.) Commissioners Merrill, Randall, Hirst, and Johnson were the dissenting votes.

Lisa Romney, City Attorney, stated this is new information for the City Council, and will provide them with more information to make a recommendation on regulation of beekeeping.

Commissioner Johnson made a **motion** to recommend denial of the proposed text amendment as requested by the City Council based on the suggested reasons (a-h). In addition to the City Council reviewing staff's information to consider not just removal of all beekeeping regulations, but consider remanding it back to the Planning Commission for further development of an ordinance for consideration. Also considered will be the information that was presented by David Youngberg and Susan Frigm.

Suggested reasons for the action:

a. The Planning Commission finds that decisions regarding a legislative application are based on the "reasonably debatable" standard.
b. The Planning Commission finds that there are no generalized or specific statements within the General Plan concerning the keeping and use of animals, including beekeeping, for private or commercial use.
c. The Planning Commission finds that there is a public interest in establishing regulations relating to the use and keeping of animals that promotes the general welfare of the community.
d. The Planning Commission finds that the proposed amendment regarding beekeeping is not consistent with previous legislative decisions, specifically concerning how animals and their associated elements are currently regulated within the City's Zoning Ordinance. Such policies are summarized as follows:
    i. Animal Unit Allocation
    ii. Animal Specialties
    iii. Agricultural Business
    iv. Stable, Private
    v. Animals and fowl for recreation and family-food production
    vi. Household Pets
e. The Commission finds that the primary focus of Utah's Beekeeping Act appears to be concentrated on the health and disease control of beekeeping within Utah.
f. The Planning Commission finds that it is probably shortsighted to expect that the State and County can suitably manage a local land use conflict that may occur regarding the keeping of bees within the city.
g. The Planning Commission finds that many of the other beekeeping techniques, for an urbanized area, come from university extension service programs and/or the experiences of many beekeeping clubs, and not from State statues.
h. The Planning Commission finds that other cities have, or are adopting their own local beekeeping regulations, which seemingly are consistent with best management practices, to address the needs and practices for allowing apiaries.

Commissioner Merrill seconded the motion, which was passed by a roll-call vote of (4-2). Commissioners Kjar and Hirschi were the dissenting votes.

COMMUNITY DEVELOPMENT DIRECTOR'S REPORT

a. Upcoming Meetings
Planning Commission meeting on May 28, 2014: Echelon Motors conditional use permit to sell cars in Tumbleweed Condo's; Youngblood Amended Site Plan.

NEXT MEETING

The next Planning Commission meeting will be held on Wednesday, May 28, 2014 at 7:00 p.m. at City Hall.

ADJOURN

At 8:30 p.m., Commissioner Johnson made **motion** to adjourn the meeting. Commissioner Merrill seconded the motion, which was passed by unanimous roll-call vote (6-0).

David Hirschi, Chair

5-28-14
Date Approved

Connie Larson, Recording Secretary

CENTERVILLE CITY
CORPORATE SEAL

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 4.

Short Title: Reports from Community Development Director

Initiated By:

Scheduled Time: 7:45

SUBJECT

a. Fence Permit concept
b. Update of Accessory Dwelling Unit (ADU) public process
c. Update of West Side planning process, including discussion about current zoning moratorium

RECOMMENDATION

a. The Community Development Director, Cory Snyder, does not recommend implementation of a fence permit process, but more public education.
b. Allow Cory Snyder to update the Council on the public educational process underway regarding Accessory Dwelling Units (ADU's).
c. Allow Cory Snyder to update the Council on the West Side planning process. Then consider whether to amend or terminate the current zoning moratorium.

BACKGROUND

a. See the attached memo from Cory Snyder about fencing regulations and the merits of a fence permit requirement. He does **not** recommend a fence permit process be implemented, but does recommend several actions to improve public education about this matter.
b. Per the City Council's earlier direction, the Planning Commission and Community Development staff are studying the ADU concept and have initiated a process to educate the public about this potential housing option in Centerville. See Cory's attached memo explaining the public process. Also attached is the ADU Brief available on the City website for the public to read.
c. The attached memo from Cory also provides a progress report about the West Side planning process (i.e. West Neighborhood Plan). Several months ago the City Council imposed a temporary zoning moratorium in an area west of I-15 and south of Parrish Lane in conjunction with kicking off this General Plan update process. Staff have been contacted recently by someone wanting to construct a building in the Evergreen Business Park, but was told he cannot proceed with an application until the moratorium ends. However, Cory does not see a problem with the Council either amending or ending the moratorium to allow this building to proceed. Therefore, he will be seeking the Council's direction on whether to prepare an amendment or termination to the moratorium for the July 15 Council meeting.

ATTACHMENTS:

Description

- Memo to Steve re Fence Permit Idea
- Fence Information Sheet Update
- Memo re ADU's and West Neighborhood Planning Process
- Publication - ADU's

Memorandum

To: Steve Thacker, City Manager

From: Corvin M. Snyder AICP, Community Development Director

Date: 6/23/2014

Re: Fencing – Considering Requiring Permits

As the City Council has requested, this memo will address the subject of fencing and the merits of requiring a permit.

As you are aware, the State of Utah adopts the standardized construction codes for all municipalities. These construction codes have been the primary source for regulating construction activities related to primary and accessory buildings, retaining walls, decks, fencing, and many other related improvements to properties within counties and cities. The current construction codes do allow some limited non-permitted activities such as decks less than 30" above grade, buildings less than 200 sq. ft. and some types of fencing (*non-structural bearing*). The construction code for residential (*i.e. subject of this memo*) states the following:

> *"**Section 105.2 Work exempt from permit.** Permits shall not be required for the following... (2) Fences not over 7 feet (2134mm) high."*

Keep in mind that the construction code exception from a permit does not alleviate any other related or required provision, law, or ordinance (*see also R105.2*). Thus, there are a number of cities that do use an alternative permit system for fencing, such as Park City, Springville, South Jordan, Logan, and Sunset. Nevertheless, many jurisdictions also choose to exempt requiring their own permits for fences less than 7 feet in height.

Generally, the construction permit process for property improvements is designed to ensure that minimum safety concerns are implemented and that appropriate services expected from the municipality can be adequately delivered to or for that improvement. The construction and installation of fencing is usually considered an aesthetic improvement and not one of necessity.

Staff's Position: Since fencing is a non-bearing and non-essential construction improvement, the main concern is usually associated with creating visual harmony of suburban development (i.e. front yard having a semi-public appeal) and maintaining appropriate sight distances for intersections and pedestrians using the sidewalk system. Thus, there are merits to establish good fence regulations.

Nonetheless, adding a regulation to require a permit can, when conflicts occur (*e.g. property line disputes*), lead citizens to further expect that the City will resolve such matters. Also, there will be additional time constraints and servicing costs for property owners when implementing such regulation (*e.g. getting an approved permit, conducting inspections, and granting final approvals*). Furthermore, there are number of non-permit style regulations such as mailbox placement, use of park strips, winter parking, etc. that create the same or similar concerns as do the fence issue. Lastly, staff questions whether a new permit process and its inspection/ verification procedures are or would be predominately supported by the general public. Therefore, staff supports the following:

- ***a.*** Create or improve the "fencing flyer" with language and graphics that address the applicable concerns regarding fencing
- ***b.*** Send the fencing flyer to local fencing companies or an applicable fencing coalition
- ***c.*** Create and publish a handbook (hard copy & digital) devoted to self-help understanding of the various permit exemptions, maintenance, and behavior expectations of the Municipal Code (e.g. fencing, weeds, park strip use and maintenance, street trees, noise, mailbox and garbage can placement, winter parking, curfews, etc.)
- ***d.*** Create and devote a City website page containing the handbook information.
- ***e.*** Provide a copy of the handbook and "What you need to know" information reference card to the public when setting up city accounts or as part of a "Welcome to Centerville" kit.

Centerville City
Setbacks and Fence Construction Criteria

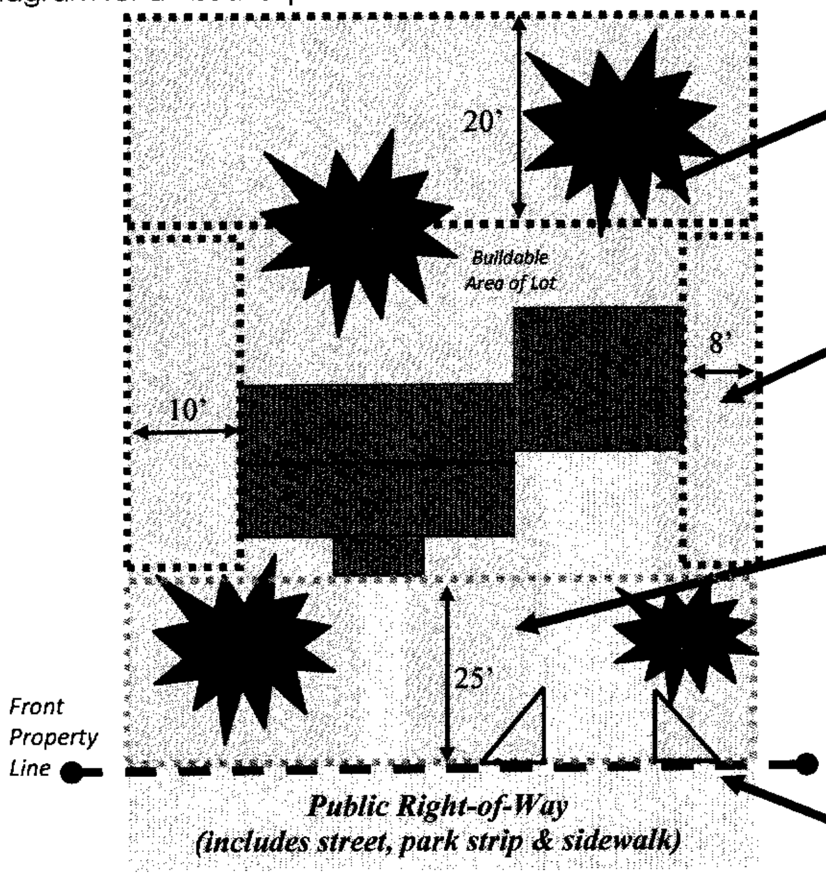
Section 12-55-110, Centerville City Ordinance

Do I need to obtain a permit for a fence?

No permit is required to construct or place a fence (*chain-link, vinyl, wood, masonry, etc.*) along a property line or within the property boundary. However, other city ordinances do apply. Exception, if you are constructing a **retaining or other load bearing wall**, a building permit is **required** for such structures over 4' in height (*measured from bottom of footing or wall to the highest point*).

Does Centerville have height restrictions for fences?

Yes, within any **rear or side yard** area, the fence cannot exceed more than six feet (6') in height. Within all required **front yard areas** the height may not exceed four feet (4') - see diagram for a visual explanation.



Rear Yard Setback: 20 feet ***FROM PROPERTY LINE*** to Main Building

Fence Height Allowance: (6) Feet

Side Yard Setback: 18 foot total – 8' feet on one side and 10' on the other side ***FROM PROPERTY LINE*** to Main Building

Fence Height Allowance: (6) feet

Front Yard Setback: 25' ***FROM PROPERTY LINE*** to Main Building

Fence Height Allowance: (4) feet

Visual Obstructions: No fence, object or planting over two feet or tree branches less than 7' may be located within the driveway site triangle*

* *Site Triangle* is measured 12' along the driveway line, 12' along the front property line or back of sidewalk, whichever is greater, with a connecting line

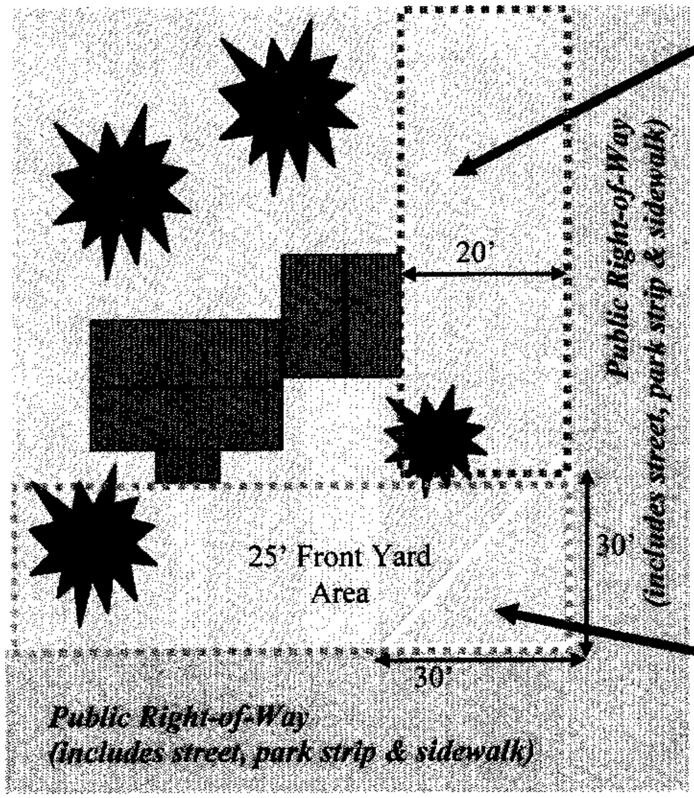
Note: The above diagram represents a typical lot in a Residential-Low (R-L) Zone, if your fence will be located within a different zone please see Section 12-55-110 of the Centerville City Ordinance, or contact a representative from the Community Development Department at 801-292-8232

Are there any exceptions to the height restrictions?

The Planning Commission may approve higher fences up to ten feet tall in a rear or side yard in the following zones: **Medium & High Residential Districts, All Public Facility, Commercial, and Industrial Districts.** Such exception is only granted if the findings show that it's in the best interest of the Community.

I live on a corner lot; do other restrictions apply to my property?

Yes, in addition to the typical front, side, and rear yard requirements (*including the driveway site triangle*), the standards for a Street Side Yard and the Intersection Site Triangle are applicable - see diagram for a visual explanation.



Street Side Yard Setback: 18 feet ***FROM PROPERTY LINE*** to Main Building

Fence Height Allowance: (4) feet for both Street Side and Front Yards

Visual Obstructions: No fence, object or planting over two feet or tree branches less than 7' may be located within the intersection site triangle*

* *Intersection Triangle* is measured from the point of the intersecting curbs at the corner and measuring 30 feet each direction, with a connecting line.

Can a front yard or street side yard fence be placed adjacent and run parallel to the sidewalk?

A Fence may be placed directly adjacent to a sidewalk ***if*** **your property line is located directly behind the sidewalk.** Otherwise, if it is located deeper into the lot, it must run parallel along the actual property line. The fence cannot exceed 4 feet in height and all applicable visual obstruction triangles are required.

How do I find my property line?

Sometimes this can be difficult, we recommend the following: Look at your **subdivision or parcel plat for recorded measurements**, observe **adjacent property lines** in front and behind your property to deduce the probable parcel boundaries and coordinate placement with your neighbors. You may need to **have the site professionally surveyed to legally locate your property lines.** In all circumstances, the owner is responsible for locating the legal property line.

I want to place a fence on the top of my retaining wall, is this acceptable?

This is acceptable, however, **the average elevation of the retaining wall must first be determined**, and then the six feet is measured from that point. Regardless of the recognized average measurement, a fence height of four feet is always allowed.

This flyer is to assist with understanding the fence regulations you may need to review Section 12-55 of the Zoning Ordinance to ensure compliance with applicable codes and ordinances (www.centervilleut.net)

If you have any questions, you may contact the Centerville City Community Development Department at 801-292-8232 or visit us at 655 North 1250 West

Memorandum

To: Steve Thacker, City Manager

From: Corvin M. Snyder AICP, Community Development Director

Date: 6/23/2014

Re: Update – Status of ADUs, West Centerville Neighborhood Plan, & Partnership Status with WFRC & UTA regarding assistance with Neighborhood Plan Update

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As you have requested, this memo will address the two (2) long-range planning processes that are currently underway, the update summary is as follows:

Accessory Dwelling Units (ADUs) – As we have previously discussed, the Planning Commission desires to hold an initial Presentation & Discussion Session on July 30th to begin their efforts to study the merits of Accessory Dwelling Units (*ADUs*).

Note: The Planning Commission has yet to endorse this date & provide members for the panel

At this meeting, the planning staff will likely show a video addressing the basic concept of ADUs, highlight the main issues contained in the ADU Brief that has been posted on the City's webpage, and then host a question and answer panel for those who attend this meeting.

https://www.youtube.com/watch?v=-rqtpem82-Q&list=WL&index=6
http://www.centervilleut.net/downloads/communitydevelopment/publication_-_adu_s.pdf

In preparation for this meeting, the plan is to have the Davis Clipper write an interest article about ADU's (*article was published 6/5/14*) inviting the public to be educated by reading a Press Release and ADU Brief posted on the City's Website (*these have already been posted*).

http://davisclipper.com/bookmark/25233459/article-Centerville-looking-into-possibility-of-ADUs
http://www.centervilleut.net/downloads/communityinfo/adu_press_release.pdf

The next step is to place an insert in a City utility billing inviting the public to review the Press Release, ADU Brief, and a fill out a questionnaire that are posted on the City's Website. Sample language for the billing insert is as follows:

*The **Centerville City Planning Commission is underway with evaluating the merits of using "accessory dwelling units" (ADU's)** to create a variety of housing types to address a fluctuating economy, provide greater options for an aging population and meet the lifestyle demands of a changing generation Information regarding the concept of ADU's has been posted on the City's Website (www.centervilleut.net). The Planning Commission will be **hosting a Panel Discussion & Question/Answer Session** to begin exploring this housing concept and the public is invited to participate and provide input. This **public participation meeting is scheduled,** as follows:*

> *Date: **July 30, 2014***
> *Place: **Centerville City Hall, Council Chambers, 250 North Main Street***
> *Time: **7:00 p.m.***

*To encourage public participation, an **ADU Public Questionnaire** is being provided on the City's Website. **Answers to the questions** can be found within the posted **Accessory Unit Dwelling Summary Brief**. Please bring the questionnaire to the Panel Discussion Meeting. Those who **turn in the questionnaire** and **participate in this meeting** will be **entered into a drawing** for several prizes.*

Then to encourage public participation, the PC desires to provide an ADU questionnaire (*also to be posted and printed from the City's Webpage*) and host a meeting drawing of prizes (*as approved by the City Council & ≤ $100.00*) to reward those that come and participate either completing and turning in the survey and/or participating in the ADU panel discussion.

Note: ADU Questionnaire has been drafted & awaiting posting to the City's website
Centerpointe Theatre will be providing a few vouchers &
& few passes will be purchased for the Megaplex Theater

West Centerville Neighborhood Plan Update – The Oversight Committee has met twice so far and has completed the "Awareness Campaign" and set for the parameters for the "Public Education/Input" process. The following summaries these two efforts:

The initial step for the OSC was to *"create an awareness campaign."* The communication and outreach options the committee endorsed, which have been implemented are as follows:

- *Create a simple informational brochure*
- *Place the brochure information on the City's Website*
- *Write and insert a Summary Statement in the City's next utility bill and direct readers to the City's Website*
- *Mail the brochure to all business and property owners of the affected west side area Post a notice sign (with the brochure info) at the public parks (in or near active areas) around the City.*

The OSC, in conjunction with the WFRC, and UTA partnership, has worked out the following education and input strategy. The approximated timeline for this strategy is also included, as is as follows:

- ✓ *Remainder of June/1st week of July* – WFRC, in partnership with the planning staff, will develop a question/visual library survey. This survey will be able to be distributed to the public via SurveyMonkey.

- ✓ *1st & 2nd Week of July* – An educational brochure will be developed and contain information contained in the Wasatch 2040 Plan, particularly about "Implementing Centers," Density & Design, Transportation, Trends in Housing, and other related land planning issues applicable to creating a new vision for the West Centerville Plan Update.

- ✓ *2nd Half of July & 1st Week of August* – The educational brochure and the survey will be made available to the public in the following manner;
  - *A brochure & link to the survey will be mailed to all the business and property owners, as has been previously.*
  - *The brochure and link to the survey will be posted in the selected public parks, as has been done previously.*
  - *An interview team will be created to contact the OSC selected property owners holding ownership to key parcels to discuss the educational materials and solicit their participation in the survey.*
  - *OSC input will be the major focus of the committee's meeting in July.*
  - *The consideration and use of City's social media channels (e.g. Twitter & Facebook) will be included in the strategy.*

- ✓ *All of July and 1st Week of August* – The Planning Staff, WRFC, and UTA will be developing draft scenarios for presentation to the OSC meeting of August. All comments and data input will be assessed in the creation of the future planning scenarios.

- ✓ *End of August* – Hosting a Public Open House to receive public feedback in preparation of a final draft document to be presented to the City for consideration in September.

Partnership Status with WFRC & UTA – Initially, the City staff prepared and submitted (*applications were due March 14th*) for the LPRG program to assist with the neighborhood plan update. On April 7th, we were notified that the decisions for awarding the grants were being delayed (*originally 4/9*). On about May 14th, we were notified that Centerville was NOT chosen in the selection process. However, due to the value and merit of the request, the City was being encouraged to apply at the next program period. City staff immediately contacted UTA and began discussions about alternative options to continue without the WFRC grant. On May 30th WFRC contacted staff and was informed that the decision not to award a grant had been rescinded and the grant application was now APPROVED. On June 6th, the City officially entered into an agreement securing the in-kind funded, staff assistance, grant.

- ❖ *Local Planning Resource Grant (WFRC)*: City staff met with the WFRC staff to finalize the tasks related to the recently approved LPRG agreement. WFRC has accepted 3 primary tasks with West Centerville Plan Update, as follows:

- ***Task 1*** *is to provide assistance with the "awareness campaign," with regards to creating and publishing an educational brochure (e.g. mailers & social networking).*
- ***Task 2*** *is to create and post an input survey covering the topics related with the plan update.*
- ***Task 3****, in partnership with UTA staff, will assist Centerville City in creating development scenarios for the plan update using the Envision Tomorrow Plus (ET+) planning tool, which was the primary purpose for the City in submitting for the LPRG.*

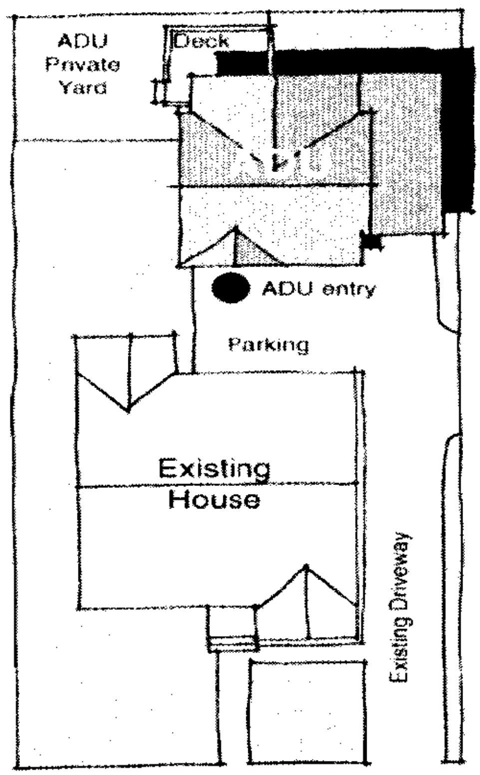
- *Implementing Centers – a potential Frontrunner station (UTA)*: At a previous City Council sponsored "*Transportation Open House*" meeting, UTA committed to assisting the City with planning a potential Frontrunner Station stop, as part of the West Centerville Neighborhood. City staff has met with a UTA representative and they are providing needed data and design parameters, with regards to land use patterns, that would possibly support a future station area and also considering other types of mass transit modes.

UTA and WFRC are now working together to create such development the scenarios using the ET+ Tool.

CENTERVILLE CITY UTAH — COMMUNITY DEVELOPMENT

ADU's Summary Brief

• ACCESSORY DWELLING UNIT •



Accessory Dwelling Units (ADU's)

Accessory Dwelling Units (ADU's) is an additional, self-contained housing unit that is secondary to the main residence. ADU's are sometimes referred to as "mother-in-law" apartments or "granny flats," since their origins were to provide space for extended family members.

ADU's can take many forms such as attachments or additions to the main home, use of basement areas, a second-story over an detached garage, or separate backyard building.

Purpose of ADU's

The intent or use of ADU's is often to provide places for the elderly to be taken care of by family members, places for newly married or return of adult children, or even perhaps to supplement a mortgage payment. ADU's are typically used in singe-family areas when the following conditions exist:

- Excess space within the primary dwelling or above a garage exists that can be conveniently converted into living quarters.
- An under-utilized or odd lot exists and further division of land is not feasible or is prohibited.
- The housing stock is located near a college or educational institution.
- A shortage and/or demand for affordable housing exists in a particular area.

Typical ADU Regulations

- Ownership and occupancy restrictions
- Maximum dwelling sizes
- Setback modifications
- Maximum lot area coverage
- Parking space and location requirements
- Building orientation standards
- Building exterior standards

Potential Drawbacks of ADU's

- Establishing acceptable densities
- ADU's building compatibility and aesthetics
- Excessive parking of vehicles
- Introduction of excessive rental properties within a stable neighborhood.
- ADU's construction costs & fees
- Zoning Enforcement problems

CENTERVILLE CITY UTAH — COMMUNITY DEVELOPMENT

Considering ADU's

MAKING Life BETTER

• ACCESSORY DWELLING UNIT •

Why Consider Allowing ADU's

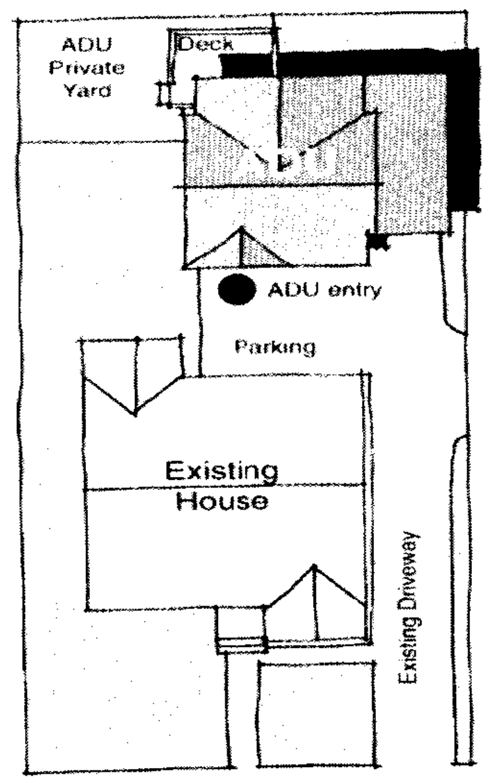
- Provide opportunities for people moving through life's stages to be able to live and/or grow up in the same community.
- Increase opportunities for redevelopment to reduce the demand for new extensions of utility lines and services.
- Encourage the development of sustainable and/or walkable neighborhoods, where employment, goods, and services can be obtained with less driving distances.
- Encourage opportunities for establishing a variety of housing types in keeping with the income ranges of more families.

Who Typically Chooses to Build ADU's

- Older Singles/Couples
- Younger Singles/Couples
- Middle-aged Empty Nesters
- Single Person Households
- People that Travel Often/Extended Periods

Who Benefits From ADU's

- *Home Owners* — creating a "home based" supplemental income
- *Aging Persons* — ability to prolong their normal living arrangements
- *Local Businesses* — provides a larger client base to provide needed services
- *Local Contactors* — provides opportunities to construct significant home improvements
- *Lending Institutions* — provides a base for home improvement loans
- *Real Estate Firms* — potentially provides slightly higher priced housing resale stock



Utah Counties/Cities Currently Allowing ADU's*

- Orem City
- Draper City
- Lindon City
- Sandy City
- Mapleton City
- Eagle Mountain
- Murray City
- Alpine City
- Bountiful City
- West Point
- Provo City
- Payson City
- Taylorsville
- Centerfield
- Salt Lake City
- Grand County
- Summit County
- Toole County
- Weber County

** As found using internet search engines*

CENTERVILLE CITY UTAH — COMMUNITY DEVELOPMENT

Types Guide to ADU's

MAKING Life BETTER Centerville City

• ACCESSORY DWELLING UNIT •

Types of ADU's

There are five (5) main types of ADU's.
These types are:

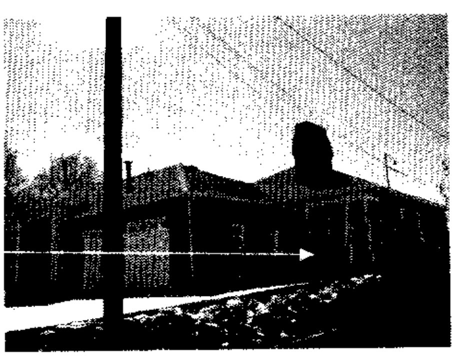
- Dwelling created in a portion of an existing single family (e.g. basements, attics)
- Dwelling created as a dedicated addition to an existing single family home
- Dwelling created as a free-standing accessory building (e.g. guest house, or cottage)
- Dwelling created from by converting the garage into livable space
- Dwelling purposely designed into the layout of new construction.

Existing Home Renovation – (example)

Location of ADU

Dedicated ADU Additions — (example)

Location of ADU



ADU Guest House/Cottage — (example)

Location of ADU

Garage Conversion – (example)

Location of ADU

Integrated New Construction — (example)

Location of ADU

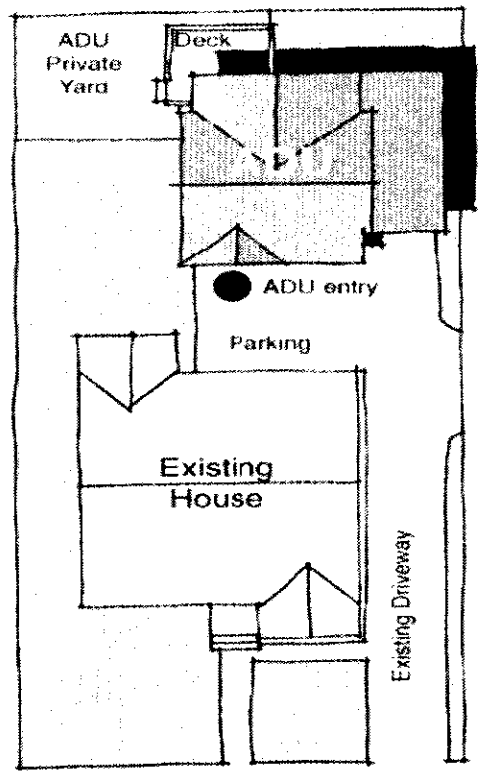
CENTERVILLE CITY UTAH — COMMUNITY DEVELOPMENT

Typical Regulations for ADU's

• ACCESSORY DWELLING UNIT •

Requirements for Allowing ADU's

- Owner occupancy (at least 6 months) of either the home or the ADU. Owner is defined as a person with at least 50% or greater interest in the property
- Owner must sign a owner-occupancy covenant in order to construct or use an ADU
- Occupancy limit for unrelated persons for both units
- Limit one (1) ADU within single family zones
- Limitation of ADU unit sizes (minimums/ maximums) based on lot sizes of a residential zone.
- Detached ADU setback/height restrictions
- Entry Door Orientations for ADU's
- Providing for additional parking stalls
- Minimum pervious surface requirements for entire property.
- Building & safety regulations for sleeping areas, kitchens, etc. for the use of ADU's



Ordinance Enforcement for ADU's

- Receiving some type of official City approval for construction and use of ADU's
- Recordation of ADU covenants for the property.
- Establishing procedures for the sale or transfer of ownership for properties containing ADU's
- Removal of select features (e.g. kitchen) within ADU's, if no longer desired or abandoned.
- Establishing legalizing procedures for existing illegally developed ADU's or their removal
- Requirements for submittal, approval, and permit issuance to establish ADU's

Ordinance Exceptions For ADU's

- Waiver of parking requirements based on location in relation to mass transit, goods & services, historic preservation, etc.
- Temporary Owner Absence Allowance due to job dislocation, sabbatical leave, educational pursuits, illness, etc.
- Encouraging affordability through exemptions or reductions of approval fees, building permit fees, and/or impact fees.

CENTERVILLE CITY UTAH — COMMUNITY DEVELOPMENT

Additional Information about ADU's

• ACCESSORY DWELLING UNIT •

State & Local Planning Policies

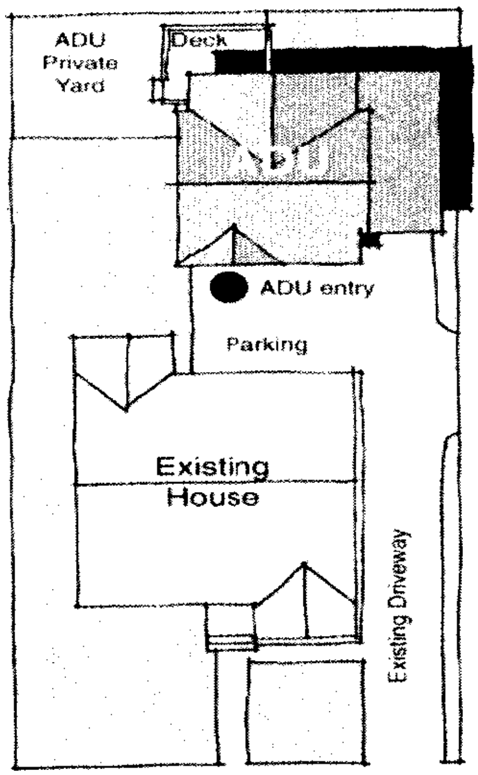
- UCA 10-9a-403, "in drafting the moderate income housing element [cities] shall consider the Legislature's determination that cities shall facilitate a reasonable opportunity for a variety of housing types
- Centerville City General Plan, Moderate Income Housing, See Strategy 6-D.4

Planning Toolkits About ADU's

- Urban Planning Tools for Quality Growth, Chapter 2, Page 36, an Envision Utah Publication *(www.envisionutah.org/Urban%20Planning%20Tools%20for%20QG_ch2_1.pdf)*
- Getting to Smart Growth, 100 Policies for Implementation, Chapter 3, Section 3, a ICMA Smart Growth Publication *(www.smartgrowth.org/pdf/gettosg.pdf)*
- Smart Growth/Smart Energy Toolkit, Accessory Dwelling Units (*www.mass.gov/envir/smart_growth_toolkit/pages/mod-adu.html*)

ADU Publications & Studies

- Accessory Dwelling Units: Case Study, by the US. Department of Housing and Urban Development *(http://www.huduser.org/portal/publications/adu.pdf)*
- Granny Flats Add Flexibility and Affordability, Better Cities & Towns *(http://bettercities.net/article/granny-flats-add-flexibility-and-affordability)*
- Missouri Gerontology Institute, Accessory Apartments *(http://extension.missouri.edu/publications/DisplayPub.aspx?P=GG14)*



Local Newspaper Articles

- Salt Lake Tribune, Mother-in-law apartments back in fashion?, *03-10-2013*
- Daily Herald, Poll—Should Utah valley cities allow accessory apartments?, *02-10 2013*
- Ezine @rticles, Orem Utah Accessory Apartment 2012 Update, Denise C. Martin, *07-18-2012*
- Daily Herald, Pleasant Grove says no to accessory apartments, Laura Giles, *04-20-2010*
- Deseret News, Check zoning laws on building apartment in family's house, *05-09-1993*

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 5.

Short Title: Applications for Certified Local Government Grant

Initiated By: Landmarks Commission and Whitaker Museum Board

Scheduled Time: 8:30

SUBJECT

RECOMMENDATION

Review the attached memo from Brandon Toponce and letter from the Museum Board requesting matching funds from the City for a CLG grant application. Decide whether to approve the use of Contingency funds for the required match.

BACKGROUND

The State History Department has announced that they have additional grant funds for use by Certified Local Governments (CLGs). The grants require a 50% local match. Normally CLGs can apply only every two years, and Centerville was awarded nearly $10,000 earlier this year, to be used by both the Landmarks Commission and the Whitaker Museum. Centerville City--a CLG entity--is now eligible for another $10,000. The Landmarks Commission would like to apply for $1600 for a mobile app (total cost $3200 with City match). The Museum would like the other $8400 for various projects, with another $8400 match from the City for a total of $16,800. See the attached documents describing these requests. The attached list of potential projects from the Museum Board exceeds the potential funding; therefore, the City Manager has asked them to submit a prioritized list of how they would like to use the grant funding and City match--a potential maximum of $16,800--depending on how much match the City Council is willing to provide.

ATTACHMENTS:

Description

- Letter from State Announcing Grant Opportunity
- Staff Memo re Landmarks Commission Grant Funding Request
- Letter from Museum Board
- Whitaker Museum Projects List

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Julie Fisher
Executive Director
Department of Heritage & Arts

Utah Division of
State History

Brad Westwood
Director

June 4, 2014

Mr. Brandon Toponce
Centerville CLG
655 N 1250 W
Centerville, UT 84014

Dear Mr. ~~Toponce:~~ Brandon

Please find enclosed a 2014 Supplemental CLG grant application.

The Preservation Office of Utah Division of State History is able to offer a round of supplemental grant funds through the Historic Preservation Fund. This supplemental grant is not intended to take the place of any current CLG Grant your community may have and receiving this new 2014 Supplemental Grant will not affect your ability to apply for a new CLG Grant in 2015. Each eligible CLG may apply for a grant up to $10,000. With grant match, that is a $20,000 project.

The main goal of this grant offering is to obligate and expend preservation funds on projects which can be completed in a year. These 2014 Supplemental CLG grants are subject to the same terms and conditions as your regular CLG grants (see *heritage.utah.gov/history/grants-clgs*) However, because of the time-sensitive goals of this program, they differ from regular CLG Grants in three ways:

1. They are limited in time. Recipients have only **one year** to apply for a grant and complete all work associated with the grant. Applications returned to this office must be **postmarked no later than Friday, July 11, 2014**. All eligible work will be completed by August 31, 2015 to be eligible for grant reimbursement.

2. They are competitive. Normally if you apply for a CLG Grant you will receive one. In this case, you are asked to compete to insure the most viable and effective preservation projects in Utah are funded. Also, because of the need to obligate and spend these funds in a timely manner, preference will be given to Certified Local Governments that have successfully applied for and managed CLG grants in the past.

3. They are limited in Scope. Please apply for no more than two projects per CLG. Preference will be given to National Register Surveys, National Register Nominations and Pre-Development and Development Projects. Remember these can be archaeological projects, as well.

Please return completed applications to: Debbie Dahl, Utah Division of State History, 300 S. Rio Grande Street, Salt Lake City, UT, 84101. Please contact Debbie (801) 245-7233, Don Hartley (801) 245-7240, or Cory Jensen (801) 245-7242, if you have questions regarding this grant program.

We appreciate all you do to preserve the historic resources in your community and we are pleased to be able to include you in this special opportunity.

Sincerely,

Barbara L. Murphy
Deputy SHPO

CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT

655 North 1250 West, Centerville, Utah 84014
(801) 292-8232

STAFF TRANSMITTAL REPORT

DATE:	**JULY 1, 2014**
TO:	**STEVE THACKER, CITY MANAGER**
FROM:	**BRANDON TOPONCE, ASSISTANT CITY PLANNER**
PROPOSAL:	**WALKING TOUR MOBILE APPLICATION FOR CENTERVILLE CITY CREATED BY THE UTAH HERITAGE FOUNDATION**
PROPOSAL:	**REQUEST FOR ADDITIONAL CITY FUNDING FOR A MATCHING GRANT FROM THE UTAH STATE PRESERVATION OFFICES OF $1,600**

BACKGROUND

The Utah State Preservation Office (SHPO) is currently offering supplemental funding to all Certified Local Governments (CLG), to assist in additional matching grants. This supplemental CLG grant will need to be used within one year and have a 50% match by each individual city.

MOBILE APPICAITON FOR WALKING TOURS

In addition to the supplemental state funding, the Utah Heritage Foundation is offering to create a mobile app for the purpose of allowing citizens to utilize electronic devices to pull up a walking tour within a community. This walking tour would be available from the Utah Heritage Foundation website and have a link from the Centerville City Website.

In the long range goals of the Landmarks Commission, they have desired to create a mobile walking tour, yet have not had the resources to accomplish this task. The Utah Heritage Foundation is offering this project at a lower cost since they will host and create the application. The cost is dependent on the number of stops and information that will need to be gathered by the foundation staff. The cost runs from $2,500 to $4,000. Since Centerville has a walking tour brochure, which has already been created, staff believes the cost will be more toward the lower end. The Landmarks Commission would like to budget $3,200 for this project as a high cost, in case of incidental charges. This would require the Centerville City Council to allocate $1,600 to the Landmarks Commission with a matching grant from SHPO, for $1,600.

DEADLINE

The Utah state preservation office has requested the application be postmarked no later than July 11, 2014.

JUNE 24, 2014

Centerville City Council
250 No. Main Street, Centerville 84014

Dear Council Members;

As you know, the Whitaker Museum received a matching grant of $7,800 for 2014 with a pledge to have the City match $7,800. The adopted budget for 2014-2015 did not include any matching funds from the City. The Museum Board will provide matching funds of $3,900 from a one-time available money source of unused funds from the director's stipend. The Museum Board has also assumed the responsibility to find or provide the balance of $3,900 in funds or in-kind donations to make up the difference needed for a full match of $7,800.

We have recently been notified that the State has additional CLG funding in the amount of $10,000. This is again a matching grant making the available funds $20,000. Of this amount $8,200 would be available to the Museum with the balance available to the Landmarks Commission. This is a great opportunity to advance on the capital improvements that still need to be completed and complete other repairs.

For this purpose the Museum Board is coming to the City Council to request that they City provide the matching grant in the amount of $8,200. We need to know if this is an option prior to submitting our application. We have a deadline of a **postmarked, completed application by Friday, July 11, 2014.** Thank you for your consideration as we work towards completion of the restoration and preservation of this valuable asset to our community.

Sincerely,

Spencer Packer Chair
Whitaker Museum Board
Nancy Smith Co-Chair
Paul Smith
Bruce Powell
Bridget Lee
Diane Chamberlain
Lisa Linn Sommer Museum Director

WHITAKER MUSEUM PROJECTS

One Time Project Expense	***Completed Projects***
Security	
Security Cameras $2,500	Entry Locks $500
Essential Preservation & Safety Hazard Projects	
Backdoor screen/storm door $300	Wagon Repair x 2 $500*
Pole Barn for wagons and artifacts $3,000*	Window Shades $510*
Duct Cleaning $300	Exterior Painting Windows $1,200
Wood replacement, repair and painting of exterior $5,000	
Develop Landscape Master Plan	
Accurate Existing Site Plan $300	Landscaping Plan $1,000*
Elevation & Survey Plan before landscaping begins $1,000	
Exterior	
Sprinkler Repair - City	Porch Lighting $600
Carriage Doors $2,400*	Driveway & Parking - City
Drip System between West/South sidewalk & museum - City	Reproduction of stolen gate/supplies $200*
Drip system between West/North sidewalk and museum - City	
Complete flower bed planting West/South side $200*	
Complete flower bed planting West/North side $200*	
Replacement Trees $1,200* (Mulberry / sericulture)	
Plant Identification Plaques $1,000*	
Exterior Lighting $1,200	
Whitaker Community Garden Signs $300	
Interior	
Major Donor Plaque $300*	Bathroom Door $200*
Kitchen Faucet $400	Vacuum $100
Donation Boxes $100*	Work Desk/Laptop $700
Signs $500 (*do not touch, watch your step, hours of operation*)	
Handicap ramp $1,500	
Time period furniture $8,000*	

Special Projects

File Extraction $1,000
Centerville Centennial Projects - $4,000
Documentary "The Story begins here" DVD of founding fathers by Historian Paul Smith $3,000
Children's Coloring Book - Educational activity book that allows hands-on learning for younger ages.
Appraisals on Museum valuables – City
Portrait of Brigham Young for Gathering Room $2,000*
Territorial Map

*Indicates possible Museum shared efforts to accomplish through Eagle Scout Projects, Volunteers, Fundraisers, in kind services, grants.

Projects Approved for Current 2014-2015 CLG Grant

Exterior Caulking $500
Rain Gutters $1,200*
Museum sign $3,000*
Stone and mortar sealing $900*
Soffit & Fascia on North Side $1,600*

Project City has approved funding 2014 -2015 fiscal budget

Completion of walk around home $1,500

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 6.

Short Title: Adopt Resolution No. 2014-21 Amending the City Fee Schedule re Solid Waste, Recycling and Green Waste Collection Services

Initiated By:

Scheduled Time: 8:40

SUBJECT

Consider Resolution No. 2014-21 amending the Centerville City Fee Schedule to increase the solid waste, recycling and green waste collection service fees.

RECOMMENDATION

Adopt Resolution No. 2014-21 amending the Centerville City Fee Schedule to increase the solid waste, recycling and green waste collection service fees.

BACKGROUND

At their June 24, 2014 Special meeting, the City Council adopted Resolution No. 2014-19 amending the City's Fee Schedule increasing the solid waste, recycling and green waste collection services fees. However, the current fees were not correct; therefore, the City Council is being asked to adopt Resolution No. 2014-21 showing the current fees and the recommendation for the increase in these fees. Resolution 2014-21 is attached with the recommended changes shown in redline. A copy of Resolution No. 2014-19 is also attached.

ATTACHMENTS:

Description

- Resolution No. 2014-21-Garbage Fees
- Resolution No. 2014-19 Adopted on June 24, 2014

RESOLUTION NO. 2014-21

A RESOLUTION AMENDING THE CENTERVILLE CITY FEE SCHEDULE REGARDING SOLID WASTE, RECYCLING AND GREEN WASTE COLLECTION SERVICE FEES.

WHEREAS, the City Council desires to amend the City Fee Schedule by increasing the solid waste, recycling and green waste collection services fees as more particularly set forth herein; and

WHEREAS, the City Council has determined that the amendments to the City Fee Schedule regarding solid waste, recycling and green waste collection services are reasonable and in the best interest of the public to provide for the protection of the public's health, safety and welfare, and to encourage the diversion and/or recovery of recycling and green waste materials from the waste stream.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF CENTERVILLE, UTAH, AS FOLLOWS:

Section 1. **Amendment.** The City Council hereby amends Section V.C. of the Centerville City Fee Schedule regarding Garbage Collection Fees to increase the solid waste, recycling and green waste collection services fees as more particularly set forth in **Exhibit "A,"** attached hereto and incorporated herein by this reference. This Resolution is intended to repeal and replace the fees adopted in Resolution No. 2014-19.

Section 2. **Severability.** If any section, clause or portion of this Resolution is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby and shall remain in full force and effect.

Section 3. **Effective Date.** This Resolution shall become effective immediately. The fees for solid waste, recycling and green waste collection services shall be effective starting on June 26, 2014.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, ON THIS 1st DAY OF JULY, 2014.

CENTERVILLE CITY

By: ______________________________

Mayor Paul A. Cutler

ATTEST:

____

City Recorder, Marsha L. Morrow

EXHIBIT "A"

SOLID WASTE, GREEN WASTE AND RECYCLING COLLECTION FEES

V. Utilities.

* * *

C. Garbage (Eff. 06-24-2014 by Resolution No. 2014-19)

Garbage Service Monthly Fee Schedule

Solid Waste, Green Waste, and Recycling Services

Monthly Fee Schedule

Schedule A

Number of Solid Waste Containers	Total Monthly Fee
1	~~$12.05~~ $12.15
Add'l/Each	~~$ 9.40~~ $9.45

Number of Recycling Containers	Total Monthly Fee
1	~~$ 3.90~~ $3.95
Add'l/Each	~~$ 1.95~~ $2.05

Number of Green Waste Containers	Total Monthly Fee
1	~~$ 6.10~~ $6.16
Add'l/Each	~~$ 6.10~~ $6.20

All new residents applying for solid waste collection services will be required to pay to the City in advance $70.00 for a primary residential container.

Residents applying for additional solid waste containers will be required to pay the initial $70.00 per container fee in advance. Residents may suspend service for additional containers after a minimum of two (2) calendar months. Residents may reinstate service for additional containers within twenty-four months from the date of suspension of service and will be required to pay a $10.00 reinstatement fee.

All solid waste containers rented from the City shall be rented on the same schedule that is on Schedule A.

Recyclable materials containers shall be supplied by the City's contractor at no initial cost to the residents (monthly service charges will be as shown in Schedule A above).

Green Waste containers shall be provided by the City. Residents may suspend service for additional containers after a minimum of six (6) calendar months. Residents may reinstate service for additional containers within twenty-four (24) months from the date of suspension of service and will be required to pay a $10.00 reinstatement fee.

The billing status of each residence will not change as the occupancy thereof changes; i.e., the solid waste or recyclable materials container with its billing status will remain with the residence as originally established. Adjustments between occupants of residences covering prepayment of container rental shall be the responsibility of said occupants.

Nothing herein contained, including payment of the rental sums herein specified, shall affect title to said containers, which shall at all times remain with the City and/or the City's contractor, as applicable.

RESOLUTION NO. 2014-19

A RESOLUTION AMENDING THE CENTERVILLE CITY FEE SCHEDULE REGARDING SOLID WASTE, RECYCLING AND GREEN WASTE COLLECTION SERVICE FEES.

WHEREAS, the City Council desires to amend the City Fee Schedule by increasing the solid waste, recycling and green waste collection services fees as more particularly set forth herein; and

WHEREAS, the City Council has determined that the amendments to the City Fee Schedule are reasonable and in the best interest of the public to provide for the protection of the public's health, safety and welfare, and to encourage the diversion and/or recovery of green waste materials from the waste stream.

NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF CENTERVILLE, UTAH, AS FOLLOWS:

Section 1. **Amendment.** The City Council hereby amends Section V.C. of the Centerville City Fee Schedule regarding Garbage Collection Fees to increase the solid waste, recycling and green waste collection services fees as more particularly set forth in **Exhibit "A,"** attached hereto and incorporated herein by this reference.

Section 2. **Severability.** If any section, clause or portion of this Resolution is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby and shall remain in full force and effect.

Section 3. **Effective Date.** This Resolution shall become effective immediately. The fees for solid waste, recycling and green waste collection services shall be effective starting on June 26, 2014.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, ON THIS 24th DAY OF JUNE, 2014.

CENTERVILLE CITY

By: ______________________
Mayor Paul A. Cutler

ATTEST:

____
City Recorder, Marsha L. Morrow

CENTERVILLE CITY INC. CORPORATE SEAL 1848

EXHIBIT "A"

SOLID WASTE, GREEN WASTE AND RECYCLING COLLECTION FEES

V. Utilities.

* * *

C. Garbage (Eff. 06-24-2014 by Resolution No. 2014-19)

Garbage Service Monthly Fee Schedule

Solid Waste, Green Waste, and Recycling Services

Monthly Fee Schedule

Schedule A

Number of Solid Waste Containers	Total Monthly Fee
1	$11.56
Add'l/Each	$9.00

Number of Recycling Containers	Total Monthly Fee
1	$3.75
Add'l/Each	$1.91

Number of Green Waste Containers	Total Monthly Fee
1	$5.86
Add'l/Each	$5.87

All new residents applying for solid waste collection services will be required to pay to the City in advance $70.00 for a primary residential container.

Residents applying for additional solid waste containers will be required to pay the initial $70.00 per container fee in advance. Residents may suspend service for additional containers after a minimum of two (2) calendar months. Residents may reinstate service for additional containers within twenty-four months from the date of suspension of service and will be required to pay a $10.00 reinstatement fee.

All solid waste containers rented from the City shall be rented on the same schedule that is on Schedule A.

Recyclable materials containers shall be supplied by the City's contractor at no initial cost to the residents (monthly service charges will be as shown in Schedule A above).

Green Waste containers shall be provided by the City. Residents may suspend service for additional containers after a minimum of six (6) calendar months. Residents may reinstate service for additional containers within twenty-four (24) months from the date of suspension of service and will be required to pay a $10.00 reinstatement fee.

The billing status of each residence will not change as the occupancy thereof changes; i.e., the solid waste or recyclable materials container with its billing status will remain with the residence as originally established. Adjustments between occupants of residences covering prepayment of container rental shall be the responsibility of said occupants.

Nothing herein contained, including payment of the rental sums herein specified, shall affect title to said containers, which shall at all times remain with the City and/or the City's contractor, as applicable.

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 7.

Short Title: Mayor's Report

Initiated By: Mayor Cutler

Scheduled Time: 8:50

SUBJECT

a. UTOPIA/Macquarie Update
b. UTOPIA/First Digital Update

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ULCT Broadband slides
- Macquarie FAQs
- UIA February Finance Committee report
- UIA February Recurring Revenue
- UTOPIA Finance Committee Report
- UTOPIA OPEX Analysis

UTOPIA

ULCT Conference

April 11, 2014

Forbes *Jan. 18, 2013*

Faster, Sooner: Why The U.S. Needs 'Gigabit Communities'

"Walking the floor of the Consumer Electronics Show last week, I kept thinking of that line from Jaws, "You're going to need a bigger boat." All the Internet-connected, data-hungry gadgets that are coming to market sent a strikingly clear message: ***we're going to need faster broadband networks.****"*

Julius Genachowski, Chairman of the Federal Communications Commission

Forbes *Jan. 18, 2013*

UTOPIA

Faster, Sooner: Why The U.S. Needs 'Gigabit Communities'

"Making sure the U.S. has super-fast, high-capacity, ubiquitous broadband networks delivering speeds measured in gigabits, not megabits isn't just a matter of consumer convenience, as important as that is. It's essential to economic growth, job creation and U.S. competitiveness."

Julius Genachowski, Chairman of the Federal Communications Commission

The Future of Municipal Broadband

UTOPIA

"We should think of high speed internet access in the same way we think of other public utilities like electricity and running water. Local government at the city and state level need to take action to optimize information infrastructure for the public good."

Susan Crawford, broadband policy expert and co-director at the Berkman Center at Harvard University. March 2014, PublicCEO.com

Historic Overview

- Early 2000's = Demand for high speed broadband services
  - Desire to increase services & level competitive playing field thus lowering costs
- 2002 Feasibility studies
  - Broadband considered critical infrastructure
    - Econ Dev / Business needs
    - Growing residential demand

Utah Telecommunication Open Infrastructure Agency

Historic Overview

Member Cities[1]	UTOPIA
Brigham City	X
Centerville	X
Layton	X
Lindon	X
Midvale	X
Murray	X
Orem	X
Payson[2]	X
Perry	X
Tremonton	X
West Valley	X

1. UTOPIA non-pledging cities: Cedar City, Cedar Hills, Riverton, Vineyard, and Washington.

Historic Overview

- 2004 – first bonding & fiber installations
  - ~ $185 Million
- 2010 – UIA formed to continue growth of network
  - ~ $41 Million

Historic Overview

Member Cities[1]	UTOPIA	UIA
Brigham City	X	X
Centerville	X	X
Layton	X	X
Lindon	X	X
Midvale	X	X
Murray	X	X
Orem	X	X
Payson[2]	X	
Perry	X	
Tremonton	X	
West Valley	X	X

1. UTOPIA non-pledging cities: Cedar City, Cedar Hills, Riverton, Vineyard, and Washington.
2. Non-pledging UIA member.

UTOPIA

VERACITY NETWORKS
world class service with a local touch

windstream communications

FIRSTDIGITAL

SUMO FIBER

senawave

XMISSION INTERNET

Integra

FIBERNET

TELESPHERE
BUSINESS TELECOMMUNICATIONS. SIMPLIFIED

brigham.net

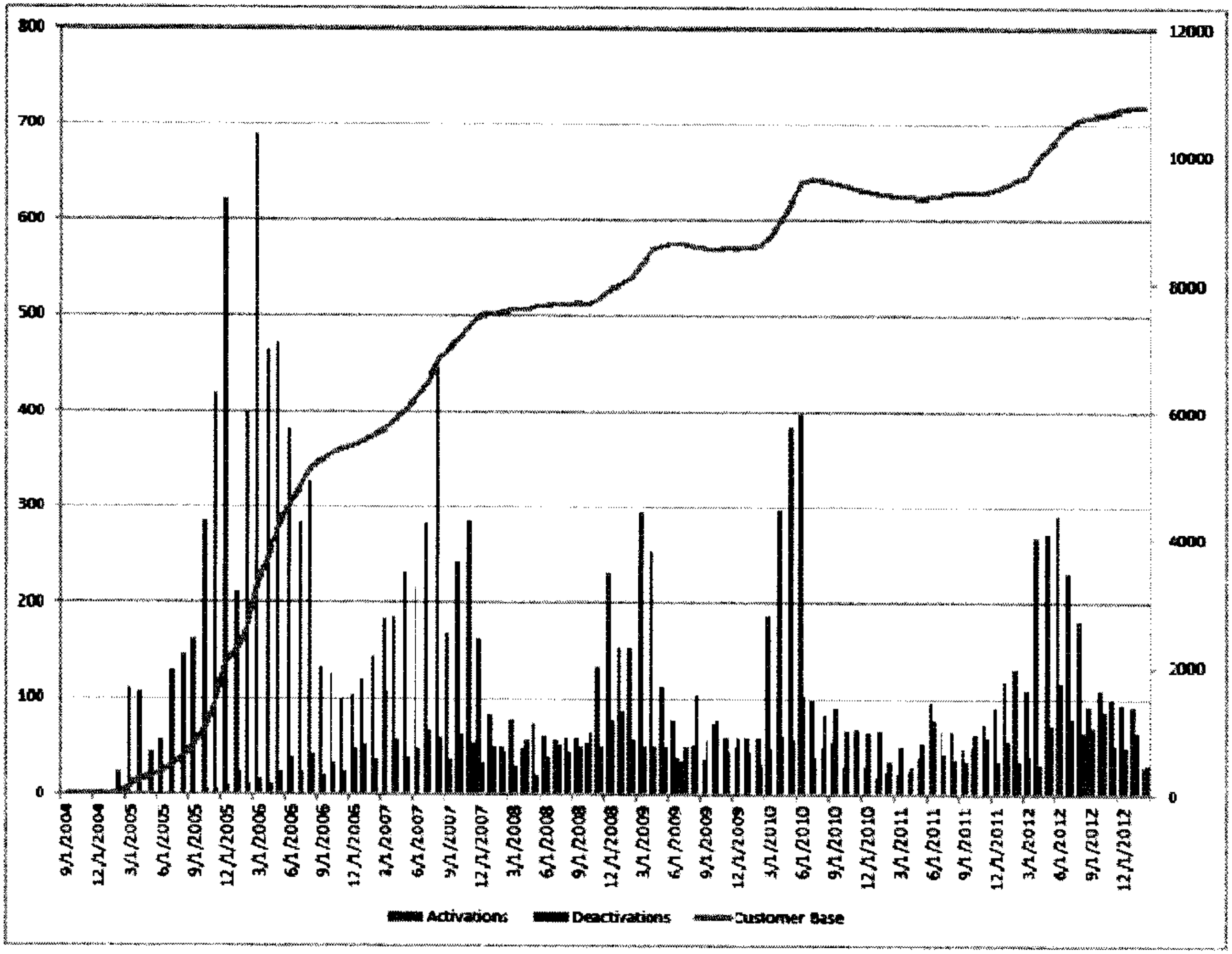
WEBWAVE

BEEHIVE BROADBAND

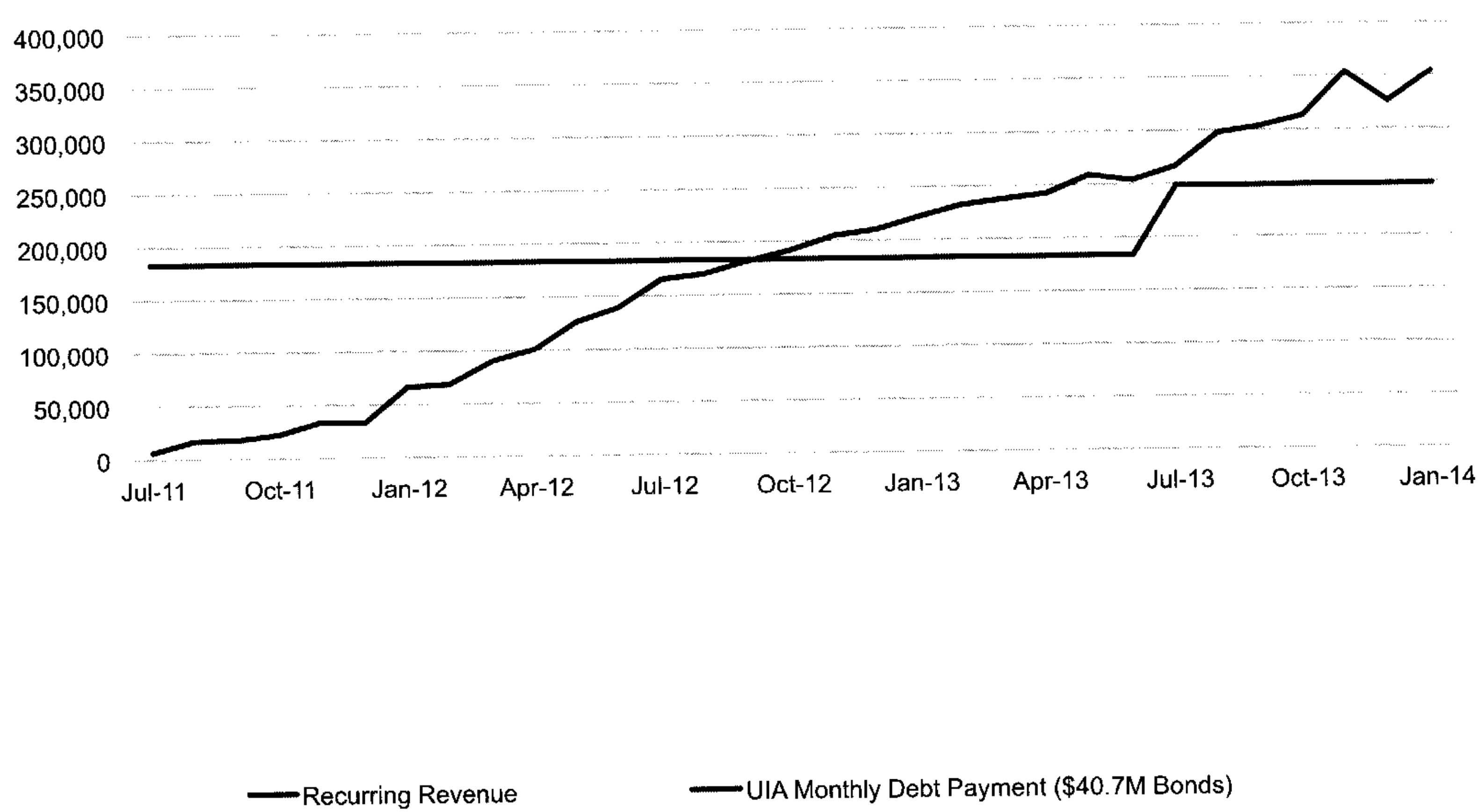
InfoWest

CentraCom

History of Net Customer Count



UIA Recurring Revenue



Percent of Addresses Passed

UTOPIA

UTOPIA/ UIA CITY	% Build Out	Marketing Take Rate
CENTERVILLE	98%	26%
TREMONTON	96%	13%
BRIGHAM CITY	93%	30%
LINDON	73%	46%
MURRAY	63%	24%
MIDVALE	54%	19%
OREM	42%	30%
PAYSON	42%	24%
WEST VALLEY CITY	19%	14%
LAYTON	12%	20%
PERRY	0%	0%
Grand Total	41%	25%

Addresses Passed	63,000
Addresses Connected	16,000

Potential Options

- Sell Network
- "Go Dark"
- Maintenance Mode (no growth)
- Continue bonding for Wireless Deployment
- Continue bonding for Wired Deployment (current model)
- Public Private Partnership

Probable Options

- Sell Network
- "Go Dark"
- Maintenance Mode (no growth)
- Continue bonding for Wireless Deployment
- Continue bonding for Wired Deployment (current model)
- Public Private Partnership

Public Private Partnership (PPP)

UTOPIA

Why Macquarie?

North American infrastructure specialist

#1 in number of global infrastructure transactions worked on as Financial Advisor in 2011[1]	19 major North American infrastructure advisory mandates closed since 2010	#2 Global Financial Advisor in Corporate Infrastructure League Tables in 2010 and 2011 combined[1]
77% US PPP market share[2] 70% US PPP transaction involvement[3]	$13bn+ transportation deals closed over the last 4 years	Advised on over $14bn of utility acquisitions since 2007

1. Infrastructure Journal Corporate Finance League Tables 2011;
2. US P3 market share based on enterprise value of Macquarie-led transportation transactions 2007-2012 above $500m
3. US P3 transaction involvement based on number of Macquarie-led transportation transactions 2007-2012 above $500

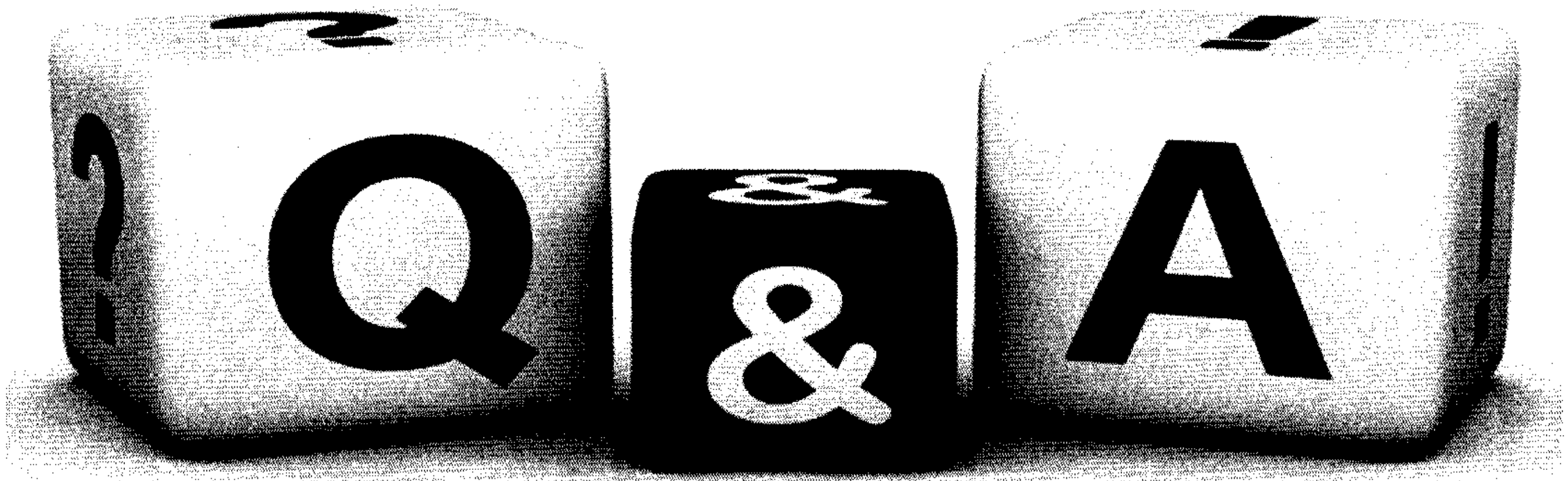
UTOPIA / Macquarie PPP

	Current	Post-PPP
Network Scale		
Addresses Passed	63,000	155,000
Addresses Connected	16,000	155,000
Service Levels		
Basic Internet Service	No	Yes
100Mbps Service	Yes	Yes
1Gbps Service	Yes	Yes
Active ISPs	18	18+
Agency Objectives		
Complete network coverage	No	Yes
End Operating Deficit	Yes (slow)	Yes
Increased Revenues	Yes (slow)	Yes
Open access for ISPs	Yes	Yes
Pay down UTOPIA bonds	No	Maybe
Ownership of assets	Yes	Yes

UTOPIA / Macquarie PPP

Milestone Deliverables

#	Milestone	Deliverable
1	**Business Case**	▪ Proposed business model ▪ Network feasibility study ▪ Draft term sheet – Concession Agreement ▪ Shortlisted design-build contractors
2	**Proposal Development**	▪ Final business model ▪ Final technical specifications of the network ▪ Detailed commercial / legal project terms ▪ Preliminary financing plan
3	**Commercial Close**	▪ Final proposal to Agencies / Member Cities ▪ Fixed-price, date-certain design-build proposal ▪ O&M plan including network refresh ▪ Committed financing from lenders ▪ Third party audited financial model
4	**Financial Close**	▪ Executed Concession Agreement ▪ Executed Design-Build Contract ▪ Executed financing documentation


Q
&
A

FAQ's: UTOPIA / Macquarie Capital - PPP

1) What's this we hear about a private partner for UTOPIA?

A private company, Macquarie Capital, has become interested in forming a 'public-private partnership' (P3) with the eleven cities that make up UTOPIA. Macquarie would assemble the capital needed to complete construction of the fiber network started a decade ago. It would then form a special company that would manage and maintain the renamed network under the oversight of the 11 cities. The cities would incur no more bond debt for the buildout and would pay back Macquarie and its investors over 30 years by collecting a utility fee for delivery of a no-cost, minimum level of internet service to each address.

2) Is this a done deal?

No, it is not. Macquarie and the Utopia cities have entered into a "Pre-development Agreement," an intensive investigative and research process by which both sides can see if a deal can and should be made. For simplicity, the responses below will read as if a deal can be reached, but nothing is certain at this point. Should the predevelopment process reach a positive conclusion, each city, its leaders and citizens will have a decision to make as to whether they are willing to accept any proposed deal.

3) What does this mean to my city and me?

The P3 proposal will resolve a number of challenges for the UTOPIA network. The transaction will more than double the number of residences that have access to the network, and will result in a portal being installed at every residence, single family home, business and anchor institution within the 11 cities. This portal will be the conduit through which consumers can connect to the UTOPIA network.

All premises that have an access portal installed will be eligible to pay a monthly utility fee to the cities. The utility fee will cover the cost of constructing, operating and maintaining the network over the long-term. Payment of this utility fee will also entitle consumers access to a basic level of connectivity, competitive with current entry level offerings of current providers.

The network will remain open access, and customers will be able to select a preferred provider from which they will receive the basic service. Where user preferences require higher speeds and/or bandwidth, the providers will also offer upgraded services with speeds of up to 1Gbps. Any fees charged by the provider for these upgraded services will be additional to the utility fee. A portion of revenues generated from up-selling of services is proposed to be routed back to the member cities and may be used for payment of existing bond debt.

Users that have paid or are paying the installation fee will be compensated – see question 25 for more details.

Macquarie believes that the all-in cost for users will remain competitive with the current pricing environment for high speed broadband access.

4) Who is Macquarie and why would they do this?

Macquarie is a global leader in infrastructure investment and has played a leading role in developing the P3 model. Globally, Macquarie manages over $360 billion of assets, including $100 billion of infrastructure assets in the United States, diversified across ports, telecoms infrastructure, bridges, tunnels, roads and airports. Approximately $25 billion of these assets have been developed under the P3 model, and Macquarie believes that municipal fiber assets such as the UTOPIA network are well-suited to the P3 model.

5) Why is an Australian bank so prominent in P3 projects?

Australia is a very large country with relatively sparse population. That means they had the need for large infrastructure projects, without the tax base to efficiently fund them. The government there was among the first in the world to adopt the P3 model. Macquarie is Australia's largest and among its oldest financial institutions so it was a natural fit. And success breeds success as more governments worldwide have seen the wisdom in P3 projects.

6) I have never heard of Macquarie. Do they have the resources to follow through?

Macquarie Capital is the financial advisory business of Macquarie Group. Macquarie Group, based in Sydney, is one of Australia's premier financial institutions, with a market capitalization of over $16 billion, balance sheet assets of over $40 billion and more than $360 billion of funds under management. Macquarie is a global leader in infrastructure investment which, directly and through its more than 100 portfolio companies, employs more than 85,000 people worldwide. Macquarie is considered a 'trusted partner' of governments around the world with several large capital infrastructure projects here in the U.S.

7) Why are governments entering into public-private partnerships?

As is well known, state and local governments have mounting infrastructure needs. Revenues are simply not keeping pace, and some entities have alarming debt levels. A P3 is a way of leveraging government resources without incurring the expense of going to the capital markets and incurring more debt. P3s also give governments a means of ensuring 'asset performance', since payments to the private entity are based on fulfillment and performance. Such normal burdens as labor issues, debt and managing costs fall to the private partner. Macquarie's government partners have seen cost reductions of 20-30% compared to similar, government run projects.

8) It is it like Google Fiber in Provo and maybe Salt Lake?

Yes and no. Google has begun working on one model where they are the sole provider on their fiber network; Macquarie's model is quite different. For one thing, the former UTOPIA network would remain an open wholesale network on which any number of providers could utilize. Therefore, customers would have a broad choice of providers for home telecom services – voice, data and television. The sponsoring government entities also retain ownership and ultimate control.

9) Why not just let Google do it?

The news about Google in Provo and potentially Salt Lake City is exciting. But it does not extend to the 11 cities of UTOPIA. It does demonstrate two things about this type of undertaking. First is that fiber is the next wave of infrastructure for thriving cities, and others recognize it. The second is that the incumbent providers (existing companies with older networks) are simply not meeting the needs of today's communities. Google knows there is a critical need to be met, and so does Macquarie.

10) Will my city still carry huge debt from UTOPIA?

Unfortunately, despite Macquarie's best efforts it will not be possible to redeem existing debt in this deal. The good news is that a very real possibility exists that the new network operation may be able to help repay that debt over time. The P3 will create a large increase in the number of users able to access the network, and as more users join the network and receive services from providers, there will be a greater amount of revenue available to the cities to help pay their existing debt obligations.

11) How large an investment are we talking?

The current estimate is about $300 million. Again, a significant portion of that cost covers updating network facilities over the 30-year period of the agreement. No matter what, Macquarie's investment and the cities' obligation will be clearly specified and binding at the outset of any agreement.

12) How do we know that Macquarie can provide such a large capital investment?

Macquarie is the world's leading infrastructure investor, and over the past five years, Macquarie has participated in transactions that created over $23 billion of infrastructure investment, a sum more than $5 *billion* greater than its closest competitor. In the U.S. alone, Macquarie has either invested directly or arranged financing for P3 projects worth over $8 billion, including the $1.6 billion Denver Eagle P3, the first mass transit rail P3 in the U.S., in 2010. Macquarie also has a history of investing in fiber assets, including an $860 million trunk line development that connected three major capital cities in Australia.

13) UTOPIA has had significant difficulties in paying for and completing the system. Why is Macquarie different?

A key benefit of P3s is that a substantial proportion of risk is transferred away from the cities and UTOPIA to the private sector partner. Macquarie will guarantee the cost and completion date for the buildout, and will be immediately required to pay penalties if either of these guarantees is not fulfilled. The cities will not have to make any payments to Macquarie until the network is fully built and operational in that city (or until each footprint of deployed area is completed).

14) UTOPIA has not been able to provide a strong product offering. Why is this different?

Although Utopia's current providers are able to provide excellent service, the network is only partially built; therefore not enough customers have ever signed up to attract the number and variety of service providers needed to make it successful. A P3 with Macquarie would be different because the number of households served would be sufficient to attract a robust product offering.

15) UTOPIA has struggled for various reasons since its inception. Why should we believe things will change?

Macquarie has a long track record of success in setting up and running P3 projects. The renewed UTOPIA network will be managed and operated to private sector standards with private sector methods. Even more important, Macquarie's repayment from the cities will have to meet certain performance and service standards or the cities can withhold payment.

16) How do we know Macquarie won't come back for more money in the future?

As on most of its projects, Macquarie will be putting its own capital at risk. It is up to them to properly calculate the costs. There is no provision for increasing the amount later. That is why our feasibility process is so costly and detailed. Macquarie will not only factor in the costs of construction, but also the cost of refreshing the network over 30 years. In fact, 20 to 30% of the total deal will be for keeping the network up to date. If Macquarie fails to properly calculate costs, its own capital is at risk.

17) Why is the city even in this business?

UTOPIA founders were responding to demands for high speed broadband services in their communities that were not being adequately provided by private industry. As technology advances, high speed broadband is increasingly being viewed as the "fourth utility", as essential as electricity and water; a recent survey of the UTOPIA cities that shows 55% of residents believe that "high speed internet is a basic need" for modern communities. Research has shown that access to higher speeds contributes to a community's economic development through new opportunities and increased productivity, increased employment through new and retained jobs, and an increase in the breadth and quality of municipal services.

A key objective of the partnership between the cities, UTOPIA, and Macquarie is to maximize benefits for the communities. Keeping the infrastructure in the control of the cities ensures all residents, regardless of income, are provided a basic level of connectivity at a competitive price.

18) Should government compete with the private sector?

No, it should not. Under the P3 model, the cities will no longer have a direct role in the operations of the network. Macquarie will become the network operator and wholesaler, overseen by the partner cities to ensure that the contractually agreed performance standards are achieved. Macquarie will be *wholesale only* and will not compete to provide services directly to end users. The network will remain open access, and Macquarie will seek to maximize competition between providers on the network, consistent with our research that 86% of residents in UTOPIA cities believe it is at least 'somewhat important' to have a choice among 'multiple service providers' for home and business telecom services. An open wholesale network has the potential to increase private competition several times over.

19) But will government still be competing with incumbent providers?

The government will not compete with the incumbent providers, nor will Macquarie. The cities will retain ownership of the network assets, and the private partner Macquarie will take operational responsibility for the network over a 30-year period, effectively leasing the network from the cities.

Macquarie will not compete directly with private providers for residential or business customers. Macquarie, as operator of the UTOPIA network, is providing a "fiber highway" that any provider can use to deliver data, voice, video and other services to customers. This highway is open to any provider that wishes to use it, including the incumbents. The incumbent providers own a different, non-fiber digital highway, which does not have nearly the capabilities of fiber and provides services exclusively to their own customers.

20) Why am I paying taxes or fees for a system I never plan to use?

Macquarie and its partners hope you will change your mind, and will work hard to earn your trust and your business. But even if they never do, all citizens will benefit from this partnership. First, simply completing construction of the UTOPIA network will increase the alternatives available to all residents. Providing communities greater choice of providers generally reduces prices for telecom services, even from current providers. Macquarie understands that Google's entry into the Provo and Kansas City markets has resulted in price reductions and speed increases from incumbent providers. Second, this P3 network will help your city save money in a number of ways in delivering services and information to residents. Third, network cities may offer free services such as public 'hot spots' throughout the community. In short, the benefits will not begin or end at your front door.

21) What about my very senior neighbors who can't afford or won't use the service?

Chances are good that they are now purchasing or need to purchase some minimal level of service. The plan is to provide at least a basic level of service for the minimum utility fee charge. It may very well be less than they are paying now, and will certainly be competitive. Even so, many cities are discussing 'circuit breaker' mechanisms for lower income residents.

22) What happens if technology changes? Are we going to be left behind?

Technology *has* changed, and many American states and cities *are* being left behind. That is why fiber infrastructure has become so critical. Fiber optic cables transport signals at the speed of light, and fiber is increasingly accepted as the next generation delivery technology for data, voice and video applications. Macquarie, UTOPIA and the cities are confident that the core fiber infrastructure will continue to be competitive technology over the long term. A more relevant consideration is the electronic equipment used to transmit and receive those signals. Macquarie will be required to ensure that all users have reliable access to connection speeds up to 1Gbps, and it will be at Macquarie's cost that new technology is deployed to make that access more efficient.

Macquarie and the cities are also discussing strategies to protect against a 1Gbps connection becoming obsolete over the term of the contract – however, with average U.S. broadband speeds of ~4-5Mbps, we believe that the network technology will have sufficient capacity to ensure that users stay at the forefront of national broadband access.

23) UTOPIA has done the best it could with the resources provided. How do we ensure the best services possible in the future?

The UTOPIA network has labored under an operations deficit for some time. Macquarie does not face the same capital constraints as UTOPIA or the cities and is undertaking a rigorous feasibility analysis to ensure that the network is designed in such a way that the bandwidth available to providers and, in turn, consumers, is capable of meeting the cities' desired performance standards.

The performance standards will be set to ensure users have a reliable network on which they can utilize the full capacity of connection speeds up to 1Gbps. Macquarie must meet these standards, both in network design, construction and operations, to receive any payment from the cities. Macquarie's ultimate success hinges on superior network capability, a robust product offering and high customer satisfaction.

24) At times, management of UTOPIA has had considerable difficulties and has failed to move the organization forward to meet its obligations. How will this be addressed?

There have been difficulties with network management in the past, though some improvement has come in recent years. But what matters is future management. As with all its projects, Macquarie will recruit a management team with network experience and credentials to operate the completed network. Macquarie is happy to be held to the highest standard going forward.

25) What about people who paid huge fees for installation, placing liens on their homes?

Macquarie and UTOPIA are working through structuring considerations to ensure that these users are treated equitably relative to those individuals that did not pay the fee. Our anticipation is that these users will be compensated in some way to reflect the installation fees, and we will look to discuss the mechanism in more detail with key stakeholders once it has been further developed.

26) What about Wi-Fi?

Wi-Fi is a great tool and important to any community. But Wi-Fi can only exist via a robust facilities base to support it with backhaul and other functions; it can never be a stand-alone solution. Our network will provide for enhanced Wi-Fi accessibility in homes and in public spaces throughout the city.

27) Why don't we just mothball the system and get out of the business?

You could, but your city would still carry the obligation for debt service and would still be required to pay per the terms of the original agreement. Based on the cities' current repayment profile, UTOPIA's annual obligations are expected to increase 25% by 2025, and so mothballing the asset would not only keep the full burden of the existing debt with the cities, but also devalue an extremely valuable asset and shut off any revenue. Fiber networks are increasingly being viewed as highly preferable to cable, evidenced by the 1,100 applications that Google Fiber received prior to its initial rollout in Kansas City.

28) What if I'm basically satisfied with my current provider and don't want to change it?

You are free to make that choice. If you are purchasing a home telecom package now, it is very likely that you will save a significant amount each month by using the fiber network. Competition brings better service and lower prices in every market we know. The evidence is clear – when additional providers enter a market, speed increases and prices decrease. Two good examples are Kansas City and Provo, where non-Google customers have received enhanced service along with price reductions. We expect that same effect. Your household will also benefit from free services provided in your community and from better and lower cost delivery of some municipal services.

29) No matter what you call it, isn't the $300 million still another debt for my city?

It is not debt, though it is an obligation. Let's assume you plan to eat lunch every day for the next thirty years. Let's assume that with a mix of lunches ranging from a sandwich and an apple from home, to nice business or social lunch that costs several dollars, your average lunch costs about three bucks. You probably eat lunch every day, so that is three dollars per day. Rounding off in few places, does that mean you owe $33,000 in 'debt' for your future lunches? If you spend $300 per month for gasoline (a little low) does that mean you are in 'debt' to the tune of over $100,000 for gas? Would you list that on a financial statement? No, and neither would your city. It may be an "obligation" to pay for a service, as many cities do for garbage collection or other services, but it is not a debt. That means your city would still be able to borrow for other appropriate projects, services or emergencies. And this obligation may yet help your city pay off that debt from before.

30) How is my city supposed to repay this obligation?

The proposal is to use a 'utility model' to pay for completion of the network and connection to every address. Each household will be charged a modest fee to cover the basic costs of the wholesale portion of the network. At this point we believe that basic fee will also include a basic level of internet service. Provo has instituted a similar fee called a 'Telecom Debt Charge' to pay for past debt obligations incurred when they installed their fiber network prior to the Google deal.

31) Will that utility fee increase over the thirty years of the agreement?

Macquarie and the cities are still determining the methodology of calculating the utility fee. While it is likely that this fee will increase over the term of the agreement, annual increases will be capped and will most likely be linked to a public index, such as CPI.

However, no adjustment will be made to cover any unexpected or unforeseen increases in costs that could have been mitigated by Macquarie. For example, even if the cost of the buildout exceeds the price guaranteed to the cities, or costs to operate the network are materially higher than calculated by Macquarie, the utility fee cannot be adjusted without written consent from the cities.

32) How do the Cities insure performance?

Following the P3, the UTOPIA network will be a world away from its historical performance. The P3 model is a performance-based model, which requires Macquarie to achieve the requirements outlined in the concession agreement in order to earn a return. Under this model, the cities no longer bear the costs if the network does not deliver its required objectives.

33) Isn't part of the problem that UTOPIA was always been subject to political influences?

Again, in the future, the network will be run by private sector personnel and management. The eleven cities will still maintain oversight, but the construction, operation and maintenance will be performed by a private company.

34) What is a concession agreement?

A concession agreement means a private entity takes over management and operation of a public asset. An example might be the café at a public golf course. The concessionaire operates and maintains the location, but the city retains ownership. Macquarie will take over all management and operation functions and will be paid by the cities over the 30 years of the agreement, but the cities retain ownership.

35) Don't most private providers charge one rate for homes and another for business?

Most do. Following implementation of the P3, each household or business will receive an equal bill for the utility fee collected by the cities. Any additional billing will come from upgraded services purchased from private providers, beyond the free basic service provided under the utility fee model. Pricing of these additional products – television programming, for example - will be set by private providers in a highly competitive market, which may result in different rates for homes and businesses.

36) What does ubiquitous mean?

Ubiquitous means in this case, "seemingly everywhere." It means the intent is to provide a fiber connection to every home and business in the 11 member cities.

37) What if I don't need that much speed and don't want to pay the cost?

The new network entity will provide services at many different price points. You would not have to subscribe to a "superfast" connection you do not want. We do believe there will be a level of service appropriate for almost every consumer, at extremely competitive pricing. But even if you stay with your current carrier, you will still benefit from competitive pricing, enhanced city services, increased economic development and a host of other positives.

38) I like bundled services; will the new network offer that sort of thing?

The network itself will be wholesale and won't offer services. But it is expected that service providers will offer such bundled services when the network is completed and there is enough reach to attract a much stronger service offering. Macquarie is currently in discussions with a number of such providers not currently available on Utopia.

39) What is the bottom line? Why should we buy this deal?

Everyone understands that the eleven Utopia cities are in a tough position. The original financing, planning, construction and operation of Utopia all fell short. As a result, Utopia has become a "stranded asset," loaded with debt and unable to break into the black or achieve "launch velocity" for success. Inadequate revenue means insufficient "take rates," which ensure even more inadequate revenues. A P3 with Macquarie – though not without cost – provides a way forward. Macquarie's injection of private capital, experience and know how breaks the cycle of failure in which Utopia is mired.

There are many other reasons, as well - like the future. Fiber and the superfast connectivity it brings is the future in medicine, education, public safety, business and economic development – almost every aspect of our lives. Who could have imagined fifty years ago where we find ourselves today in terms of telecommunications and information technology? Connectivity affects everyday living in ways our grandparents could never have imagined. A successful, prosperous future will require even greater vision, innovation and investment, and that is what this "deal" is really about.

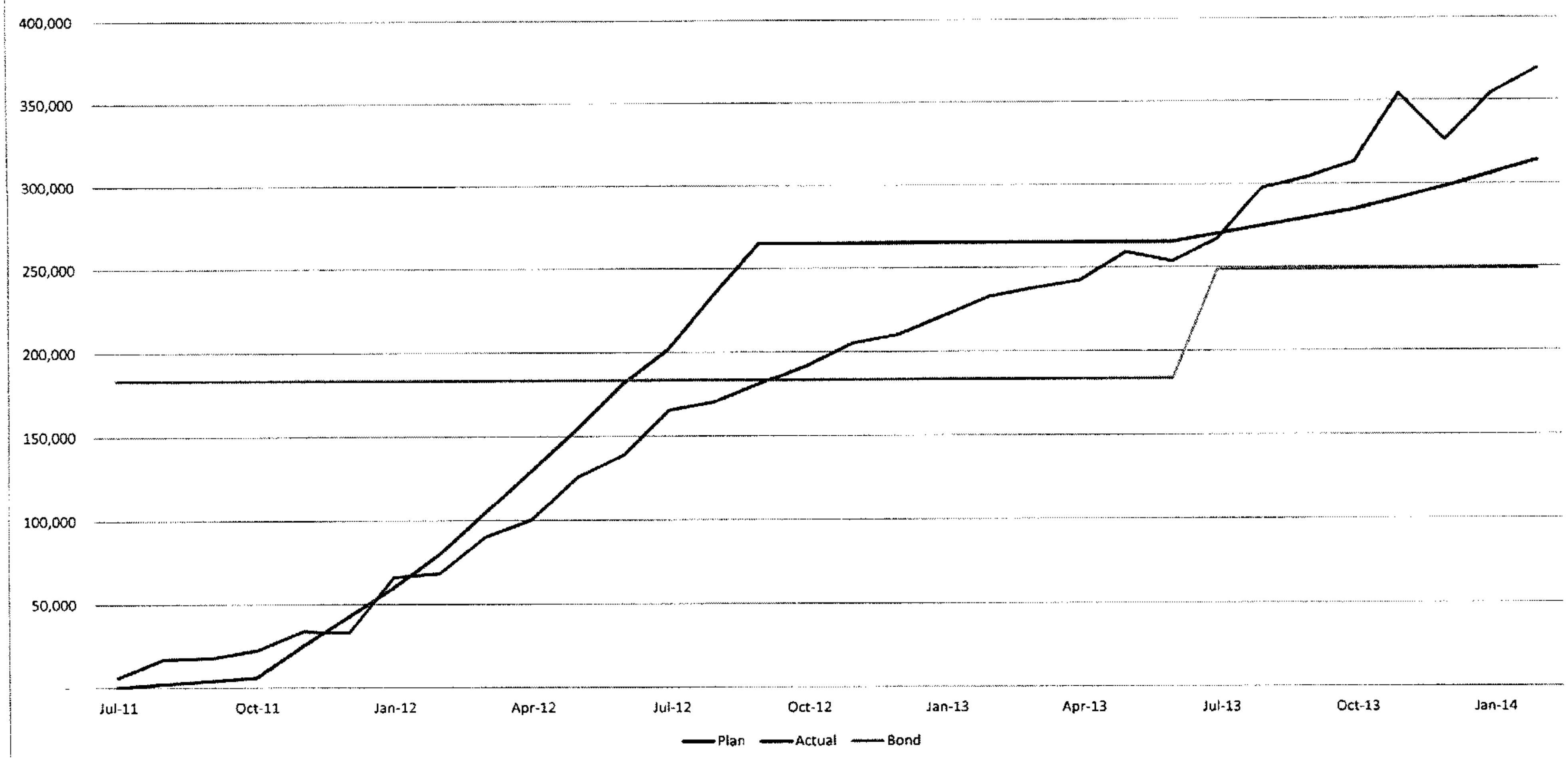
Finance Committee Report (Unaudited)
UIA
February 2014 (66.67% of Budget)

	Current Month	Year to Date	FY14 Budget	% of Budget	Prior Year YTD	% of Budget
Revenue						
Recurring	$ 368,730	$ 2,584,450	$ 3,358,088	76.96%	$ 1,583,247	72.96%
Install	2,200	170,505	-		150,392	
Interest Income	3,620	30,683	25,000	122.73%	34,866	116.22%
Other Income	-	56	-		85	
Total Revenue	$ 374,550	$ 2,785,693	$ 3,383,088	82.34%	$ 1,768,590	80.39%
Operating Expenses						
Administrative Expense	$ 3,544	$ 98,078	$ 470,000	20.87%	$ 167,817	58.68%
Professional Services	2,000	14,322	22,463	63.76%	-	0.00%
Network Management	27,007	208,839	353,055	59.15%	162,964	58.39%
Misc. Expense	-	-			-	
Total Operating Expenses	32,550	321,239	845,518	37.99%	330,781	56.53%
Debt Payments						
IRU Capital Lease Interest	33,223	287,865	417,419	68.96%	416,728	70.86%
Interest Expense	149,366	1,276,290	1,926,061	66.26%	971,106	65.39%
Principal (1)		685,000	685,000	100.00%	665,000	100.00%
Total Bond Payments	182,590	2,249,155	3,028,480	74.27%	2,052,834	74.97%
Total Expenditures	$ 215,140	$ 2,570,395	$ 3,873,998	66.35%	$ 2,383,615	71.72%
Use/Contribution to Fund Balance (Revenues Over/Under Expenditures)	159,410	215,299	(490,910)		(615,025)	

(1) Annual Principal payment made each October

Note: Total Expenditures does not include depreciation or amortized bond costs (which are not-cash items)

UIA Revenue v. Plan and Bond Obligation thru February 2014
(Monthly Recurring Revenue Only)

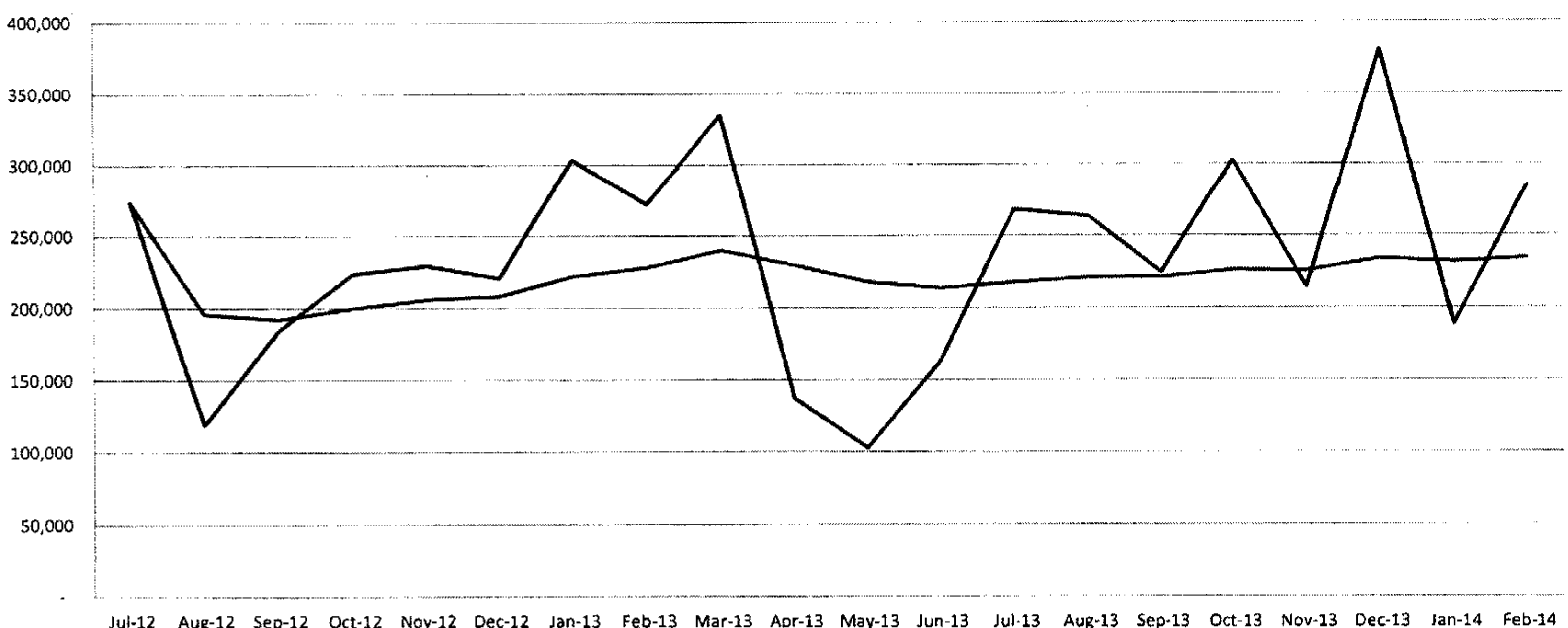


Finance Committee Report (Unaudited)
UTOPIA
February 2014 (66.67% of Budget)

	Current Month	Year to Date	FY14 Budget	% of Budget	Prior Year YTD	% of Budget
Revenue						
Recurring	$ 359,591	$ 2,897,215	$ 4,701,000	61.63%	$ 3,134,498	62.90%
Install	5,200	51,975	-		21,359	
UIA IRU	81,590	644,907	1,008,055	63.98%	597,987	61.87%
Interest Income	18	166	-		19	1.59%
Other Income	1,197	1,611,378	600,000	268.56%	4,272,547	71.35%
Total Revenue	$ 447,596	$ 5,205,642	$ 6,309,055	82.51%	$ 8,026,410	67.23%
Operating Expenses						
Administrative Expense	$ 487,337	$ 3,361,032	$ 4,876,727	68.92%	$ 3,491,916	66.18%
Professional Services	123,018	1,003,254	760,700	131.89%	676,928	61.82%
Network Management	121,029	1,357,983	2,257,160	60.16%	1,410,732	62.84%
Misc. Expense	-	-	-		(6,128)	
Total Operating Expenses	731,384	5,722,269	7,894,587	72.48%	5,573,448	64.69%
Bond Payments						
Interest Expense	1,094,738	8,721,451	13,215,000	66.00%	8,564,443	64.88%
Principal	6,000	13,027	26,062	49.98%		
Total Bond Payments	1,100,738	8,734,478	13,241,062	65.97%	8,564,443	64.86%
Total Expenditures	$ 1,832,122	$ 14,456,747	$ 21,135,649	68.40%	$ 14,137,891	64.79%
Use/Contribution to Fund Balance (Revenues Over/Under Expenditures)	(1,384,526)	(9,251,105)	(14,826,594)		(6,111,481)	

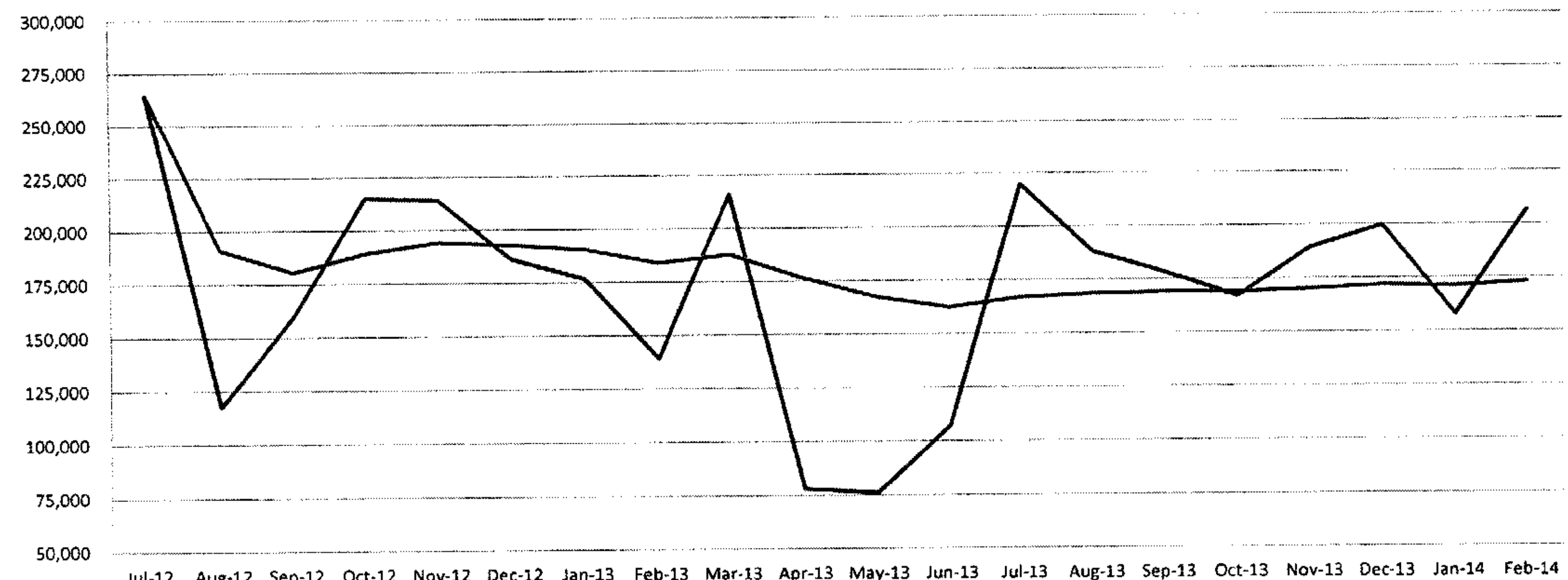
Note: Total Expenditures does not include depreciation or amortized bond costs (which are not-cash items)

UTOPIA OPEX Shortfall



	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Shortfall	273,397	118,809	184,145	223,726	229,538	220,525	303,555	272,036	334,922	137,293	102,799	163,445	268,348	263,681	224,543	302,965	214,624	380,416	188,591	285,003
Rolling Average	273,397	196,103	192,117	200,019	205,923	208,357	221,957	228,217	240,073	229,795	218,250	213,683	217,888	221,159	221,384	226,483	225,786	234,376	231,966	234,618

UTOPIA Adj OPEX Shortfall
(Excludes Litigation)



	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Adj Shortfall	264,686	117,382	159,748	215,065	214,223	186,184	176,673	139,155	216,003	77,918	75,969	107,129	219,741	188,048	178,111	166,780	189,170	199,390	157,637	206,358
Adj Rolling Average	264,686	191,034	180,605	189,220	194,221	192,881	190,566	184,139	187,680	176,704	167,546	162,511	166,913	168,423	169,069	168,926	170,117	171,743	171,001	172,769

UTOPIA
Actual vs Budget

	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Revenue																		
Recurring	382,687	396,417	394,441	402,314	397,780	402,071	387,035	406,820	417,468	309,913	371,324	369,874	356,789	363,949	361,200	374,012	340,476	359,591
Install	(1,150)	1,750	-	-	-	-	72,650	1,050	350	300	1,050	1,400	-	(250)	(225)	43,400	1,400	5,200
UIA IRU	54,583	54,583	54,583	172,479	76,131	76,461	76,732	77,669	77,758	78,204	79,583	79,321	79,965	80,871	80,707	81,018	81,853	81,590
Total Revenue	436,120	452,751	449,024	574,793	473,911	478,532	536,417	485,539	495,576	388,417	451,957	450,595	436,754	444,570	441,682	498,430	423,729	446,381
Administrative Expense																		
Wages / Benefits	354,069	363,904	378,281	375,946	357,071	362,381	542,567	327,335	351,206	273,770	376 040	339,568	338,832	308,629	344,848	330,086	334,876	426,938
Advertising	1,500	1,100	1,300	1,300	1,300	1,200	-	1,300	2,600	1,300	1,300	(200)	1,300	2,560	1,300	45,800	1,300	1,300
Dues / Memberships	25	50	25	25	62	35	35	25	25	25	25	25	25	25	455	25	25	-
Supplies	980	1,565	510	1,021	512	562	507	288	652	580	696	707	672	1,258	815	574	903	523
Licenses	-	-	-	-	-	-	-	-	-	-	-	-	422	-	-	-	115	-
Training / Seminars	-	-	200	250	-	-	-	250	-	-	-	625	50	-	195	334	-	-
Travel	87	2,384	1,822	922	778	272	472	1,729	5,482	6,877	585	7,024	14,378	3,259	10,583	288	70	577
Meeting Expense	618	1,518	754	977	520	196	672	1,536	206	194	780	1,747	1,239	410	761	2,069	503	413
Bank Service Charges	154	142	154	819	787	859	824	785	886	826	815	828	801	824	848	163	128	105
Telecom Expense	1,690	20,314	6,596	8,227	13,401	7,973	3,169	5,028	4,352	4,951	5,939	2,330	3,786	9,868	3,451	22,899	3,561	8,082
Computer Expense	22,198	12,233	21,989	11,199	6,864	6,294	4,049	5,598	2,472	-	2,023	4,231	2,521	6,211	6,363	2,667	5,352	6,208
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	6,001	17,287	15,843	16,222	21,921	15,602	21,127	24,952	8,417	9,655	16,291	16,291	16,291	16,291	15,263	16,164	16,164	16,164
Equipment	60	4,273	964	926	1,148	873	1,746	1,356	1,672	556	862	3,724	4,078	5,197	229	5,484	1,295	733
Vehicle Expense	8,600	7,336	11,734	8,823	(5,027)	3,102	4,177	6,261	4,177	5,633	8,425	7,796	4,148	4,851	4,575	6,613	8,117	5,005
Occupancy	14,384	14,162	13,634	13,634	13,871	13,899	14,632	13,899	14,659	14,994	14,072	13,899	13,899	13,899	13,899	13,899	13,365	13,831
Utilities	1,055	6,023	3,433	3,971	5,868	4,165	3,876	3,482	3,759	6,180	4,070	5,718	5,307	4,469	6,389	4,479	4,671	5,459
Less Install costs to be cap'd	-	-	-	-		-	-	-	-	-	-	-	-		-	-	-	-
Admin Expenses	411,421	452,291	457,239	444,262	419,076	417,412	597,852	393,824	400,566	325,541	431,921	404,314	407,747	377,749	409,975	451,543	390,445	487,337
Professional Services																		
Accounting	2,000	2,000	2,000	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Payroll / HR	687	1,102	822	1,137	712	2,142	814	489	846	1,171	955	1,532	1,648	806	1,498	1,028	712	1,136
Public Relations	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	
I/T Support	-	-	(1,125)	-	-	-	(9,960)	-	-	-	-	-	-	-	(350)	-	-	-
Legal	35,397	19,661	26,315	45,341	137,883	143,881	129,920	70,375	37,830	67,317	79,302	93,419	57,247	158,558	35,845	232,395	46,900	89,351
Lobbyists	16,500	20,500	16,500	16,500	14,500	21,000	28,772	17,000	18,000	3,250	14,000	13,750	13,500	13,000	13,750	10,000	11,000	17,000
Consulting	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract Labor	6,110	9,369	8,050	4,475	3,742	1,000	2,810	2,168	4,830	500	(7,368)	9,415	10,214	12,119	10,556	11,680	12,123	12,530
Professional Services	65,694	57,633	57,562	74,453	164,837	176,023	155,356	93,031	64,506	75,238	89,889	121,117	85,609	187,484	64,299	258,103	73,735	123,018
Total Agency Expense	477,115	509,923	514,801	518,715	583,914	593,435	753,208	486,855	465,072	400,778	521,811	525,431	493,356	565,233	474,274	709,646	464,181	610,355
Network Management																		
Asset Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head End	22,541	26,612	33,553	32,710	34,253	34,782	36,593	29,397	25,995	16,423	31,097	34,538	29,549	31,353	32,477	44,450	29,680	35,435
Field Maintenance	51,580	46,781	58,825	154,829	59,371	46,426	38,215	47,490	40,613	112,170	90,524	78,791	63,080	80,943	70,752	60,115	52,696	24,211
Electronic Maintenance	10,963	10,963	15,963	24,621	9,753	13,600	(1,570)	4,493	3,708	10,000	13,490	14,716	13,235	11,495	13,491	10,775	3,391	3,371
Colocation Fees	34,145	49,807	23,379	31,379	49,994	38,011	30,683	25,231	33,597	12,491	38,025	38,025	23,025	32,167	34,767	34,092	33,642	32,422
Interconnect Fees	13,900	21,462	21,478	22,500	13,978	13,906	(545)	14,205	14,229	-	14,199	13,649	16,908	15,948	14,448	9,648	10,355	13,072
Easements	10,020	10,929	10,565	10,564	26,204	10,407	14,754	15,161	15,161	-	11,159	9,125	22,142	10,397	16,097	10,120	18,376	12,518
Network Management	143,150	166,554	163,762	276,603	193,553	157,132	118,131	135,977	133,303	151,084	198,494	188,845	167,940	182,302	182,032	169,200	148,140	121,029
Total Operating Expenses	620,265	676,477	678,562	795,319	777,466	750,567	871,339	622,832	598,375	551,863	720,305	714,276	661,296	747,535	656,306	878,846	612,320	731,384
Operating Profit (Loss)	(184,145)	(223,726)	(229,538)	(220,525)	(303,555)	(272,036)	(334,922)	(137,293)	(102,799)	(163,445)	(268,348)	(263,681)	(224,543)	(302,965)	(214,624)	(380,416)	(188,591)	(285,003)
Other Income / Expense																		
Depreciation	377,496	377,186	377,186	377,186	377,186	377,186	376,745	376,745	376,745	1,576,000	389,196	376,621	401,373	388,692	388,692	387,963	387,963	387,963
Misc Expense	-	(6,000)	-	-	-	(250)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	(19)	(38)	(19)	(19)	(19)	(19)	(19)	(19)	(19)	(18)	(37)	(18)	(18)
Other Income	(591,929)	(383,553)	(752,312)	(860,948)	(777,695)	(576,245)	(433,167)	(649,621)	(949,393)	(404,693)	(456,198)	(271,980)	(51,619)	(551,261)	(278,858)	(266)	-	(1,197)
Interest Expense	1,070,413	1,070,413	1,070,413	1,071,552	1,070,413	1,070,413	1,073,831	1,070,413	1,070,413	1,070,413	1,091,388	1,091,388	1,091,388	1,091,388	1,084,361	1,085,411	1,091,388	1,094,738
Amort Bond Issue Costs	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161	9,161
Total Other Income / Expense	865,142	1,067,208	704,449	596,951	679,065	880,247	1,026,533	806,679	506,907	2,250,863	1,033,528	1,205,172	1,450,285	937,962	1,203,337	1,482,232	1,488,494	1,490,647
Net Income	(1,049,286)	(1,290,934)	(933,987)	(817,477)	(982,620)	(1,152,283)	(1,361,455)	(943,972)	(609,706)	(2,414,308)	(1,301,876)	(1,468,853)	(1,674,828)	(1,240,927)	(1,417,961)	(1,862,649)	(1,677,065)	(1,775,650)
Operating Profit (Loss)	(184,145)	(223,726)	(229,538)	(220,525)	(303,555)	(272,036)	(334,922)	(137,293)	(102,799)	(163,445)	(268,348)	(263,681)	(224,543)	(302,965)	(214,624)	(380,416)	(188,591)	(285,003)
Adjustments																		
Legal	24,397	8,661	15,315	34,341	126,883	132,881	118,920	59,375	26,830	56,317	48,607	75,633	46,432	136,185	25,453	181,026	30,954	78,645
Oper Profit (Loss) adj for Litigation	(159,748)	(215,065)	(214,223)	(186,184)	(176,673)	(139,155)	(216,003)	(77,918)	(75,969)	(107,129)	(219,741)	(188,048)	(178,111)	(166,780)	(189,170)	(199,390)	(157,637)	(206,358)

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 8.

Short Title: City Manager's Report

Initiated By: City Manager

Scheduled Time: 9:00

SUBJECT

a. Parrish & Main Intersection Project update

RECOMMENDATION

BACKGROUND

a. The City Council will likely be concerned about the condition of this intersection for the July 4th parade. Staff will be discussing this issue in-depth with the construction team on Tuesday, prior to the Council meeting; so the City Manager will update the City Council that night. The contractor will be required to take reasonable precautions to prevent injuries to spectators.

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 9.

Short Title: City Council Liaison Report

Initiated By: City Council

Scheduled Time: 9:10

SUBJECT

a. Mosquito Abatement District -- Councilman Higginson
b. Wasatch Integrated Waste Management District -- Councilman Higginson

RECOMMENDATION

BACKGROUND

Mayor Cutler would like each Council Member to report on their liaison assignments every quarter. This will begin with Councilman Higginson reporting about the Mosquito Abatement District and Waste Management District.

District Update

WASATCH
INTEGRATED
waste management district

District Overview

- ✓ Special Service District
- ✓ Owned by Davis and Morgan Counties and 15 Cities
- ✓ 270,000 tons of MSW Annually
- ✓ Serve 250,000 Residents
- ✓ 63 Full Time Employees
- ✓ 19 Member Administrative Control Board

Mission Statement

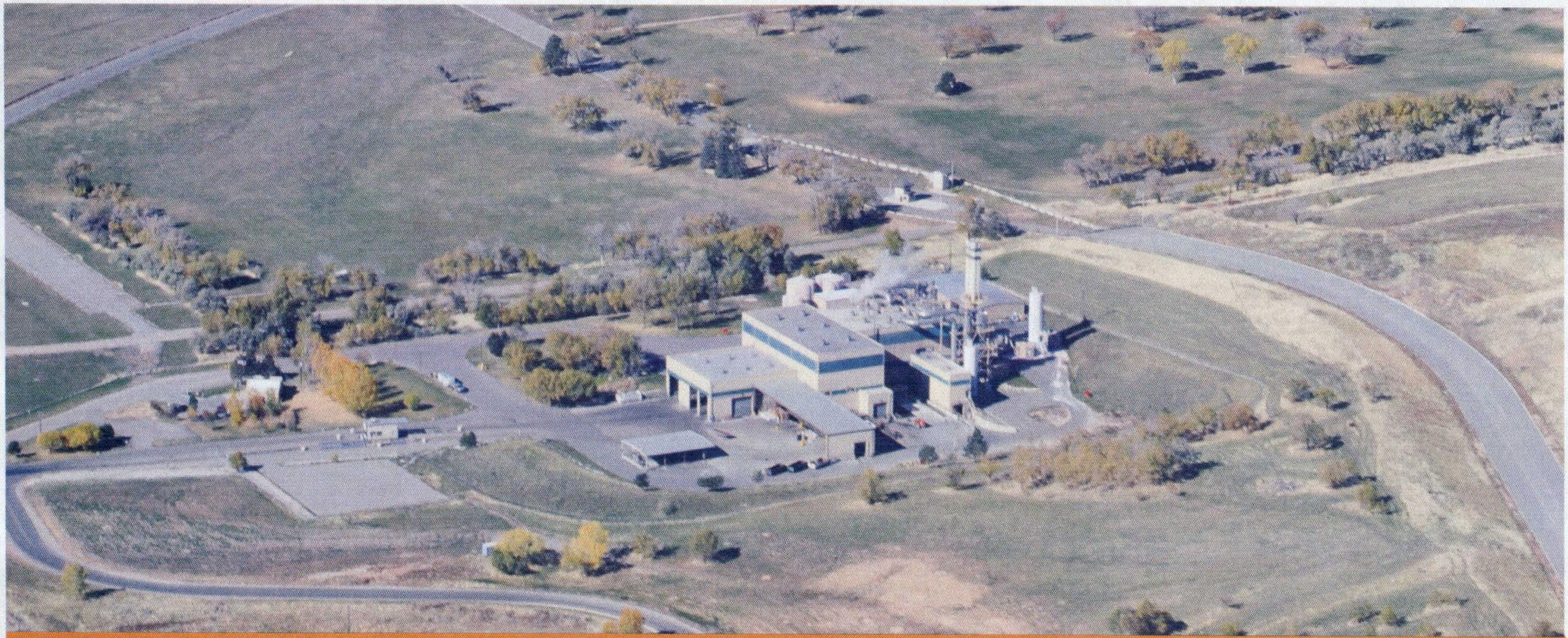
Provide sustainable, cost-effective, and environmentally sound solid waste management

Guiding Principles

- Maintain fiscal integrity with minimal financial risk. Consider long term effects and life cycle costs. Maximize the value of assets.
- Recognize waste as a resource through reuse, reduction, recycling, and the production of fuels and energy, when financially viable. Manage waste destined for disposal with state-of-the-art landfill resources, operations, and long-term care.
- Make well informed decisions based upon sound scientific and business judgment and ethical business practices.
- Aggressively pursue best available demonstrated technologies that minimize the volume and toxicity of wastes and protect the environment for future generations.
- Promote public education and awareness of effective and efficient municipal solid waste management practices.

System Performance 2013

Honoring the Mission Statement



Energy Recovery Facility

2013

Landfill

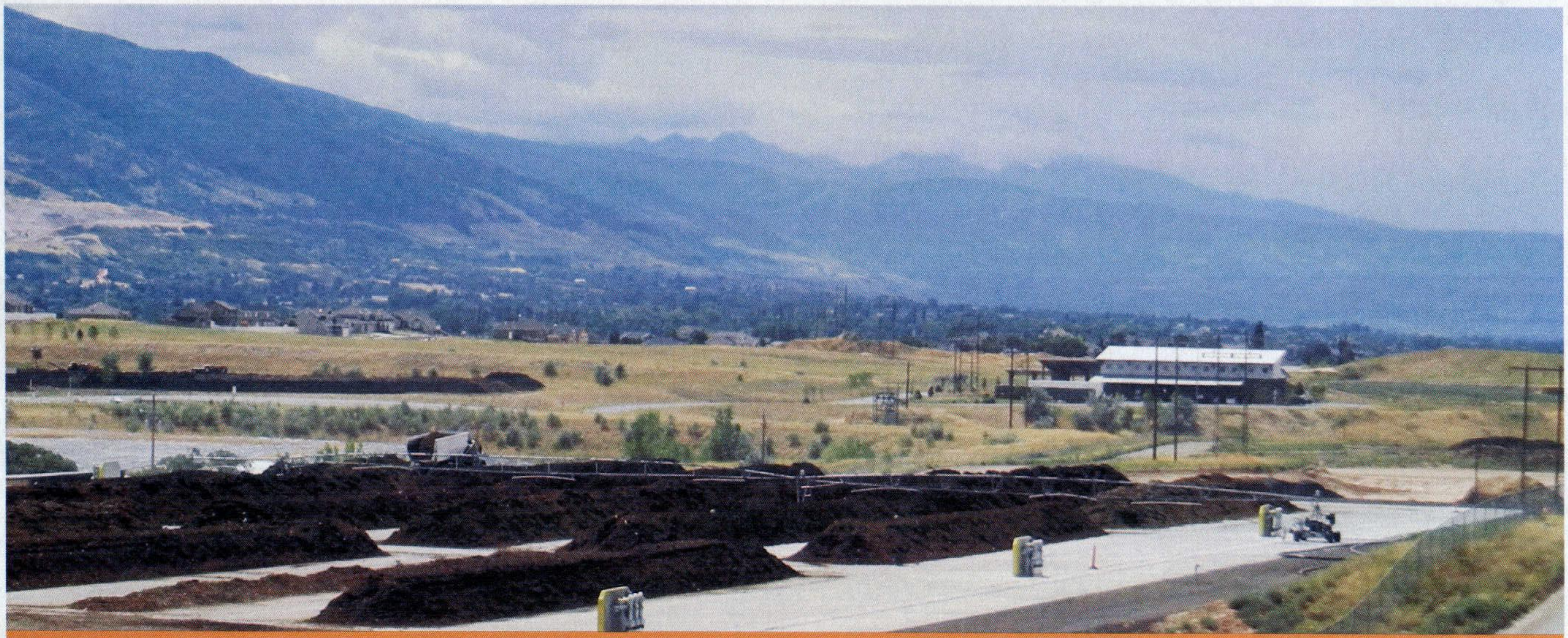
2013

Citizen Drop-Off and Give & Take

2013

HHW, Electronic Waste, and Recycling Center

2013

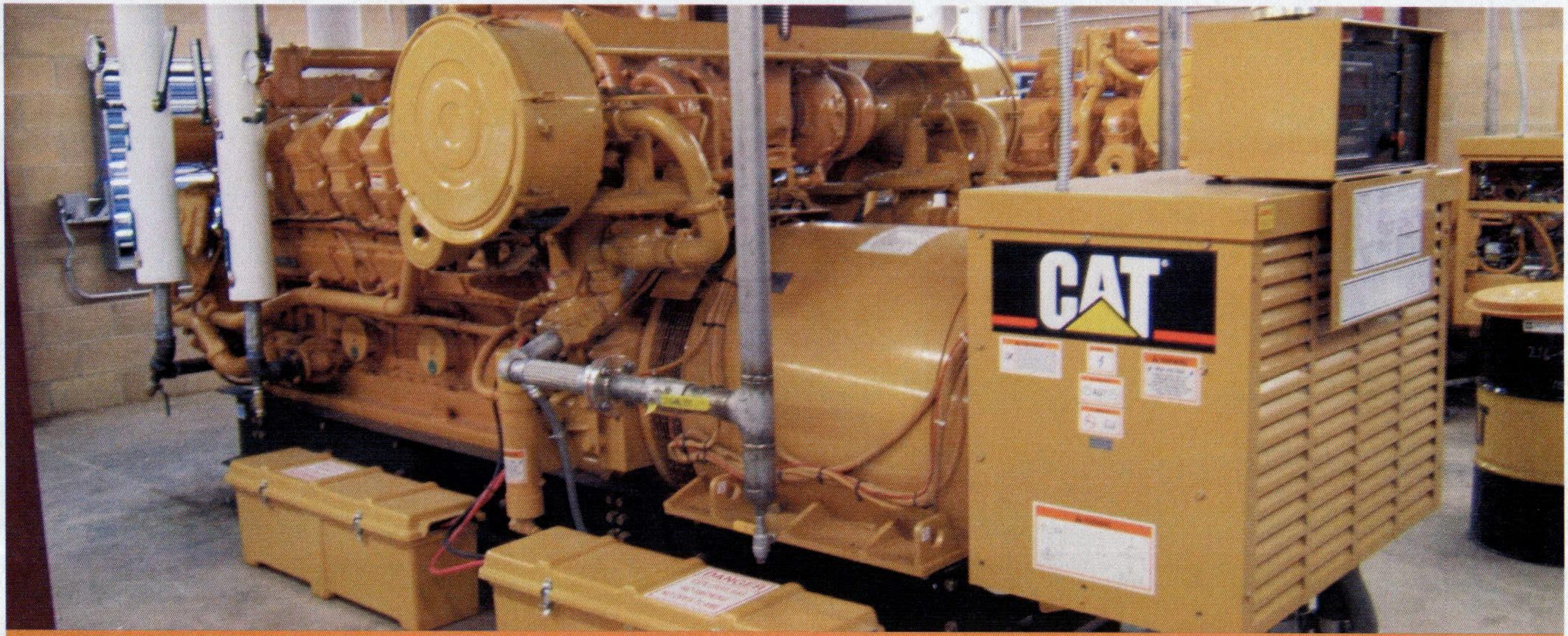


Green Waste Recycling and Composting Facility

2013

Metals Recovery

2013



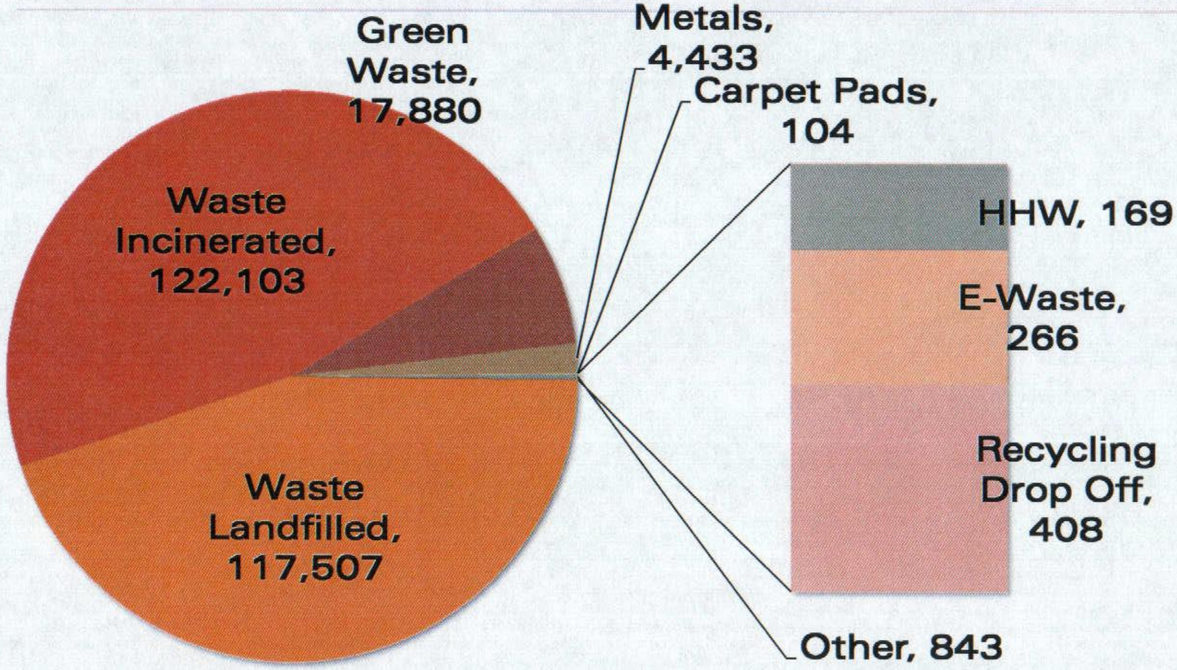
Landfill Gas to Energy Project

2013

System Performance 2013

Total Waste Received	257,364 tons
Energy Recovery	117,507 tons
Green Waste	17,880 tons
Metals	4,433 tons
Recycle Drop Off	408 tons
Electronic Waste	266 tons
Carpet Pads	104 tons
Household Hazardous Waste	169 tons
Total Recycled	140,767 tons
Landfill Diversion Rate	54 %

System Performance 2013



Planning for the Future

HAFB Steam Contract Renewal

- After 27 years of successful operation substantial reinvestment is required
- Two years of direct discussions with HAFB Civil Engineering Group have set the stage
  - HAFB needs Wasatch to control costs and assure availability
  - HAFB and Wasatch have agreed to a 10 year contract
  - Allows for the investment of substantial capital
  - Provides revenues adequate to allow for continued operation of the facility without raising tipping fees
- HAFB internal goal is for contract execution in July 2014

Life of Current Facilities

Davis Energy Recovery Facility

- 10 Year Contract Supports Major Reinvestment
- $11 Million in Capital Improvements
- 20 years or more Additional Life

Davis Landfill

- 30 Years Capacity – Phase V Addition
  - Ability to Operate in Urban Environment
  - Continued Use of Site
    - Customer Service Facilities
    - Green Waste Recycling Programs

Future Potential Projects

Improving Performance and Revenue at the Energy Recovery Facility

- Additional Metals Recovery from the Ash
- Condensing Turbine Generator for Use of Summer Steam
- Materials Recovery Facility (Recycling from Mixed Waste)

Questions

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 10.

Short Title: Miscellaneous Business

Initiated By:

Scheduled Time: 9:20

SUBJECT

a. Report of "Complete Streets" training received from WFRC by City officials

RECOMMENDATION

BACKGROUND

Councilwoman Fillmore and several staff will attend a two-hour training session--"Complete Streets"--on Tuesday, July 1. Therefore, a brief report may be provided that evening to the City Council by Councilwoman Fillmore and staff.

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 11.

Short Title: Closed meeting, if necessary, for reasons allowed by state law, including, but not limited to, the provisions of Section 52-4-205 of the Utah Open and Public Meetings Act, and for attorney-client matters that are privileged pursuant to Utah Code Ann. § 78B-1-137, as amended

Initiated By:

Scheduled Time: 9:30

SUBJECT

RECOMMENDATION

Staff are not currently aware of a need for a closed meeting, but the agenda allows for that possibility.

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 12.

Short Title: Possible action following closed meeting, including appointments to boards and committees

Initiated By:

Scheduled Time: 9:30

SUBJECT

RECOMMENDATION

Mayor Cutler may recommend appointments to City boards or committees.

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No. 13.

Short Title: Adjourn to RDA Meeting

Initiated By:

Scheduled Time: 9:30

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
7/1/2014

Item No.

Short Title: Items of Interest (i.e., newspaper articles, not items on agenda)

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- 6/17/2014 Robbery article
- Newspaper article - Clipper - Centerville says no to next stage
- Newspaper article - SLTribue - Centerville, Murray reject UTOPIA utility fee proposal
- Newspaper article - Des News - Divisions threaten UTOPIA fee plan
- Newspaper article - UTOPIA important decision
- Newspaper article - Standard - UTOPIA in limbo with split vote of owners

Date: Jun 18, 2014; Section: Morning Briefing; Page: 3A

Police seeking armed robbery suspect

By ANDREAS RIVERA and BEN LOCKHART

Standard-Examiner staff

CENTERVILLE — Police are on the lookout for a cross-dressed armed robbery suspect who held up a bank Tuesday afternoon.

Police responded to the Zions Bank at 440 W. Parrish Lane, where just before 2:45 p.m. the suspect allegedly handed a note to a teller demanding cash. The teller complied and the person left on foot, heading west, police say.

The suspect is described as a woman between 5 feet 5 inches and 5 feet 6 inches tall, weighing about 140 pounds. She was wearing a white hoodie with the words "METAL MULISHA" on the back, gloves, dark sun glasses and a baseball cap — and reportedly was trying to pass herself off as a man.

"According to bank employees, the suspect was dressed as a male wearing a fake mustache," reads a new release from the Centerville Police Department.

A still frame from surveillance video shows an elaborate black handlebar mustache as part of the woman's disguise. Dispatchers initially described the suspect as a tall, skinny man, possibly wearing a black ski mask and holding a handgun.

"A customer in the drivethrough saw the suspect and reported seeing the suspect carrying a black handgun," said the police release. "No gun was displayed inside the bank."

Anyone with information on the incident is encouraged to call police at 801-451-4151.

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Centerville says 'no' to next stage of Macquarie-UTOPIA deal

by JENNIFFER WARDELL
06.24.14 - 11:11 pm

CENTERVILLE - In the end, they simply couldn't stomach the utility fees.

The Centerville City Council voted 4-1 not to move forward with Milestone Two of the proposed Macquarie-UTOPIA deal. They join Lindon, Payson and Murray in saying no to the utility fee model proposed by Macquarie, though the council did seem interested in further discussions with the Australian company if a new proposal was put forward.

"We're open for other options right now," said Centerville City Council member John Higginson. "We just don't support the fees."

Though some of the council initially argued to move ahead in order to obtain more information, even those members expressed their dislike of the utility fee model. Centerville City Mayor Paul Cutler expressed his dislike outright, and emphasized that Centerville was not among the cities that pushed for the offer.

"It was solicited by other, larger cities on the board," he said. "This was out of our control, and we were forced to react to it."

Tami Fillmore, the lone council member who voted to move ahead with the proposal, seemed concerned that the city would be shutting the door on opportunities if they opted out now.

"We're inextricably tied to these other (UTOPIA) cities," she said, explaining why the city couldn't pursue a partnership on its own. "We need to keep a seat at the table, and make sure we have real options going forward so we can look at all the possible consequences."

Though the citizen's advisory committee made the same decision at last week's meeting, their report was highly skeptical of the utility fee model. They emphasized that they only recommended continuing to give the council more time to look other alternatives.

The council members agreed that other alternatives were a priority, and some suggested that the city take the money that would have been their Milestone Two fee and use it to conduct their own research.

"We're in a position of discovery," said council member Larry Wright. "We need more information."

That lack of information seemed to influence the council member's reluctance to continue with the proposal. Council members discussed plans previously put forth by UTOPIA, and Cutler was asked to clarify earlier comments he'd made about his regret over previously voting yes.

"My regret is the financial decision," he said. "Not enough provisions were made if something went wrong. However, that being said, the decision has been made. We have to decide what to do now."

Even with the "no" vote, that decision still has to be made by the city. Cutler hinted at a potential offer from a company called First Digital that may release details to the public in July, while other council members thought that Macquarie might come back with another offer if enough cities opted out of the utility fee deal.

"My gut feeling is that other proposals will be made," said Wright. "Our goal is to make sure that UTOPIA goes dark."

If none of those proposals come through, however, the John Higginson said that increasing taxes was preferable to the utility fee model.

"I've had residents come to me and say that they'd rather we go to them and say that we need them to help rather than impose a utility fee," he said.

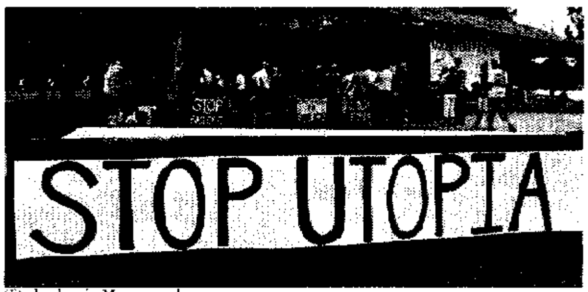
Council member Ken Averett did warn those in attendance that, no matter what happened, UTOPIA was a problem that needed to be solved.

"The overreaching of government has already happened, so we can stop that talk right now," he said. "The problem at hand is that we have a company a half billion dollars in debt that we need to do something about. To do nothing costs money as well."

Deseret News

Centerville, Murray reject UTOPIA utility fee proposal

By Benjamin Wood , Deseret News
Published: Tuesday, June 24 2014 10:30 p.m. MDT



City leaders in Murray and Centerville voted to withdraw from a proposal to hand over control of the UTOPIA fiber-optic network to an Australia-based investment firm. (Jason Olson, Deseret News)

MURRAY — In separate votes, the Centerville and Murray city councils Tuesday rejected a proposal to charge residents a monthly utility fee for fiber-optic Internet service.

The two cities join fellow UTOPIA members Lindon and Payson in voting against moving forward to the second of several milestones in a proposal by Australia-based Macquarie Capitol Group.

The proposal calls for Macquarie to complete construction and assume management of the network, including providing basic Internet service in exchange for a utility fee paid by all residents independent of whether they subscribe to service over the network.

Brigham City, Layton, Midvale, Tremonton and West Valley City previously voted to move forward with the Macquarie proposal. The remaining member cities — Orem and Perry — have until Friday to either reject the proposal or agree to explore the potential deal.

"What we're looking at, really, is whether or not the utility fee model is the right fit," Centerville City Councilman Lawrence Wright said. "We're expressing an intent that we will go forward with a utility model, and from what I've heard and what I've read, the majority of the people in our city do not want to go forward with a utility model."

The Utah Telecommunications Open Infrastructure Agency began 12 years ago as a means to bring high-speed Internet, phone and television services to individuals and businesses along the Wasatch Front. But low sign-ups and stalled construction have left the network incomplete, serving a small base of customers and languishing in debt.

The Murray City Council was met with applause from a capacity crowd after unanimously voting against moving forward with the Macquarie proposal.

The council did not hear public comment Tuesday, but Councilwoman Diane Turner said she had received more than 200 emails on the subject, with roughly 80 percent of those messages expressing opposition to a utility fee structure.

Councilman Brett Hales said the city received nearly 1,100 responses to its informal resident surveys on the subject, with 632 residents opposed to the Macquarie plan, 114 undecided and roughly 300 in favor.

Hales also expressed his personal opposition to charging residents an $18 to $20 monthly fee to maintain the fiber-optic network.

"I have never been able to stomach a $240 a year fee whether you use it or not," he said. "It just has never, ever made sense to me."

Councilman Blair Camp commented that no matter what decision the council reached on UTOPIA, council members were likely to be called crazy — "or worse."

Camp said the question before the City Council was whether the Macquarie proposal was in the best interest of Murray, and he added that there were few examples nationwide of communities that had successfully implemented a public fiber-optic network.

"I think what it really boils down to for me and for my constituents is that this is not a proven business model," he said. "My biggest concern is this 30-year commitment that we'll be locked into as a city."

Camp said he has often heard UTOPIA compared to other public utilities, like garbage collection, as a justification for levying a fee on residents. But he added that those types of city services do not require the same long-term committment UTOPIA cities are facing with Macquarie.

"We would never sign a 30-year contract for a provider of garbage collection," he said.

Councilman Dave Nicponski also suggested that the city erred in the initial creation of the UTOPIA network and would err further by moving forward.

"I think it was a mistake for the public sector to compete with the private sector years ago," Nicponski said. "It's a bigger mistake to pursue that today."

During the Centerville City Council meeting, Mayor Paul Cutler said he is personally opposed to charging a utility fee, but he urged the council to move forward with the proposal in order to gather all the necessary information and to have a seat at the negotiating table.

Cutler also said that because of existing debt related to UTOPIA, city residents are effectively paying between $10 and $12 each month per household, and the $18 to $20 utility fee would at least provide something of value in exchange for city costs.

"The Macquarie proposal as I have studied it would go a long way to solving the financial problems of UTOPIA, putting it on solid footing," he said.

But Councilwoman Stephanie Ivie said the documents provided by Macquarie suggest there would be little negotiation moving forward on the subject of the utility payment structure.

"We've had a voice at the table this whole time, and what we've gotten is a mandatory utility fee model," Ivie said.

Councilwoman Tami Fillmore, who cast the sole vote against abandoning the Macquarie deal, said she did not want to prematurely close the door on the possibility of offering Internet service as a city utility.

Fillmore said there are social benefits to that model, comparing it to the foresight of past government leaders who invested in the creation of the interstate highway system.

"Now we all just take for granted that the interstate exists and we are able to get into Salt Lake (City) in 15 minutes," she said. "We might be letting go of a very real opportunity to make money and pay off our current bonds."

The Centerville City Council ultimately voted 4-1 to withdraw from Macquarie, but assistant city manager Blaine Lutz said the city will continue to pursue options related to the fiber-optic network that benefit the city.

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Deseret News

Division among the 11 UTOPIA cities could threaten utility fee proposal

By Benjamin Wood Deseret News
Published: Friday, June 27 2014 9:12 p.m. MDT

The UTOPIA board will meet next week to review options following a roughly even split between member cities on whether to pursue a controversial utility service model. (Scott G Winterton, Deseret News)

WEST VALLEY CITY — The 11 member cities of the UTOPIA fiber optic network are almost evenly split on a controversial proposal to offer Internet services as a mandatory utility, once again making the future of the embattled network uncertain.

Adam Cowie, Lindon city administrator and third vice chairman of the UTOPIA board, said board members will meet Monday to discuss their options and vote on next steps.

But it is not yet known if the division among cities will result in two separate UTOPIA partnerships, require residents to pay more in monthly fees or if the utility service model remains a viable option without an 11-city customer base.

"The question then is, is there enough support for moving forward?" Cowie said. "This is a complicated issue, and it has been a real challenge for everyone to see a clear direction on every single issue and outcome until we get further down the road."

At issue is a proposal by Australia-based Macquarie Capitol Group to assume management of the Utah Telecommunications Open Infrastructure Agency, which was created more than a decade ago amid promises of ubiquitous high-speed Internet access but has been plagued by ballooning debt, incomplete construction, low subscription rates and revenue shortfalls.

Macquarie has offered to complete the build-out of the network to all 160,000 addresses — realizing the original promise of universal access — and guarantee basic Internet service to all residents, in exchange for a monthly utility fee of initially $18 to $20 from each household for the next 30 years.

Municipal leaders in the 11 member cities were given a deadline of June 27 to either reject the deal or agree to proceed to the second of several milestones.

The city councils of Layton, West Valley City, Midvale, Brigham City, Tremonton and Perry agreed to Macquarie's terms while Centerville, Lindon, Murray, Orem and Payson rejected the proposal.

Cowie said board members have not yet heard updated figures from Macquarie, but he suspects the exit of five member cities will affect components of the proposed deal.

"That's going to change the utility rate and some of these cities are going to need to evaluate whether it's worth moving forward," he said.

One group watching the ongoing discussions is the Utah Taxpayers Association, which launched a petition and website at uNOpia.org and questioned the legal authority of city leaders to levy a citywide fee for telecommunication services that residents may or may not use.

Royce Van Tassell, vice president of the Utah Taxpayers Association, said the exit of five member cities has significantly changed the math of the Macquarie proposal, particularly considering that cities with larger construction needs have remained.

"From the perspective of Macquarie, having a Lindon or a Centerville in, where there isn't nearly as much investment necessary, makes the deal financially more attractive," he said. "It's unclear whether or not they have the critical mass necessary to move forward with this deal and we look forward to finding out what their next decision will be."

He said it's premature to speculate on what Macquarie will do, but the initial terms of the proposal were based on the potential of 160,000 addresses being connected to the network.

"It does seem that Macquarie and UTOPIA were hoping to take advantage of economies of scale," he said. "With so many cities opting out, those economies of scale aren't nearly as available."

The lead-up to the June 27 deadline was met with considerable public interest, as cities hosted council meetings, open houses and public forums and in many cases launched surveys to solicit feedback from residents.

With the exception of Perry's pro-Macquarie vote Thursday evening, cities that delayed their decisions until the final days of the deadline window elected to opt out of the proposal.

Van Tassell said cities that engaged in the most public outreach and education on the issues surrounding UTOPIA were largely skeptical of the utility fee proposal. But he added there was also a widespread concern about adding to the debt obligations of a network that has consumed taxpayer dollars for a decade.

"I think there is a growing, even surging sense, that the cities never should have gotten into this in the first place and that the smarter play is to stop digging a debt hole and instead take your lumps," he said. "The risks have been taken and let's just see what we can do to get out of this."

Orem resident and UTOPIA customer Jeremy Bowers said he left his Thursday City Council meeting disappointed because he wants the network to succeed, but also optimistic that city leaders are interested in finding solutions that allow UTOPIA to continue.

"After listening to all the Council people have their share, I feel like they're not going to let the fiber die," he said. "They wanted to keep it and find some way to build it out, but they weren't sure about this (utility fee) proposal."

He also said that results from an Orem survey showed more than 70 percent opposition to charging a mandatory utility fee for Internet connectivity.

"With those kinds of numbers I can understand why they would vote no," he said.

Carl Woldberg, a UTOPIA customer living in Centerville, said he's worried about the future of the network if cities pass on Macquarie.

He said he would be willing to pay double or even four times his current Internet bill in order to keep his fiber optic service, and he trusts that his city leaders will find a way to keep the network running.

"My gut feeling tells me that the people that run Centerville are smart enough to know that it makes no sense to let the network actually go dark," he said. "That's my gut feeling, but my gut feeling was Centerville would vote to move forward with Milestone 2 and Macquarie, so I was wrong there."

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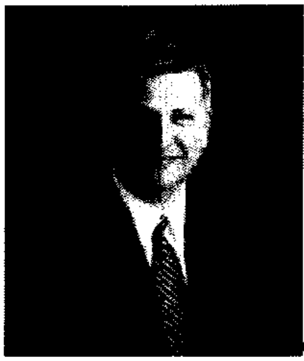
Print

UTOPIA's Important Decision

Written by Lewis K. Billings, former Mayor of Provo on 29 June 2014. Posted in Policy Buzz



Congratulations to those who are working hard to find long term, effective solutions to the UTOPIA financial and operational dilemmas.

After so many years of almost non-stop challenge, it is time to do something different and to stop the ever expanding hemorrhage of precious dollars.

UTOPIA needs a new player who can advance a fresh and effective strategic vision and who has the muscle to make that vision real. Is Macquarie Capital Group really the best choice? They may or may not be, but they should not be allowed to be the only choice seriously considered. Now that talk of this proposal is more widely known, do we need to pause and recast our net more broadly to see if there are any other qualified proposals?

A quick review of Macquarie's management and current portfolio suggests this will be a first-time, new business activity for them. Are we sure we want to be their first? Are we sure they have the people in place who can really make this happen? Whose expertise will they rely on if they take on the role they propose?

As an Orem property owner, it would be my preference the network be fully privatized, if not immediately, over some period of time. But that is not an easy thing to do. Long experience has proven that not all potential private sector partners are equal or fully capable. We must be very careful and choosey, but it is long past time to act and to act effectively.

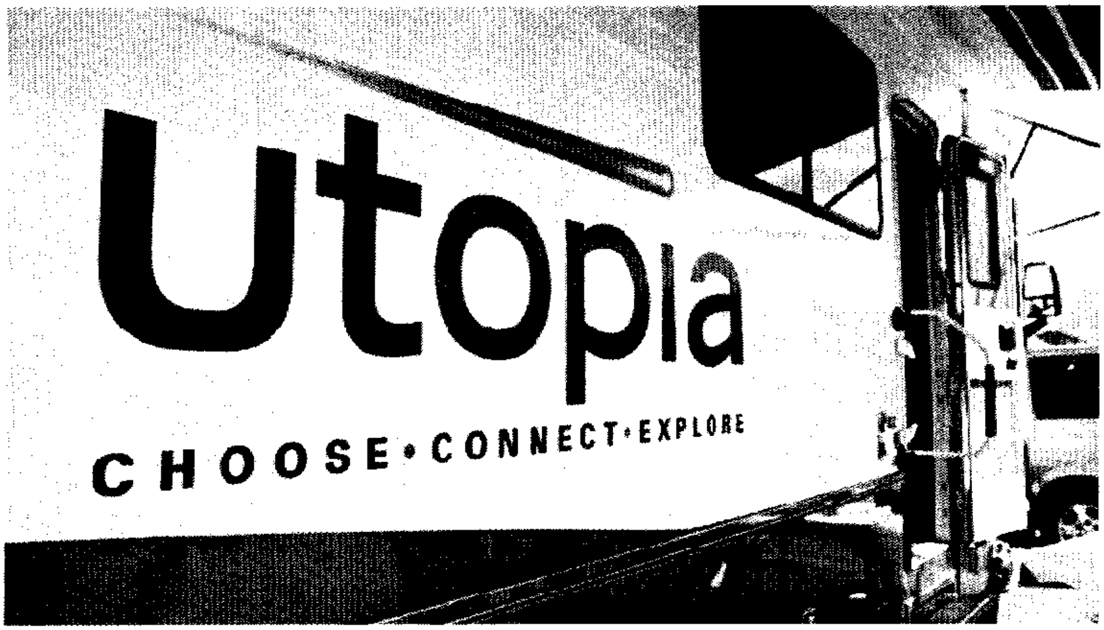
This will be a tough discussion as there are yet many who believe the fiction that enhanced "twisted-pair copper" and enhanced "coaxial wire" technologies will provide future proof solutions. They won't. We need UTOPIA, but their current dilemma grows more expensive every day we postpone setting a new direction. This is a problem we have to solve. It isn't going to go away. So let's have a rousing debate and then pursue our best options.

To those who just want to grump and groan about how awful everything is, I will suggest that Utah is better for the efforts of those behind UTOPIA. While I have not always agreed with their approach and method, thanks to the 11 UTOPIA cities and a few others, Utah has made substantial progress in preparing itself to compete in a global economy. According to the most recent *Technets Broadband Index*, Utah ranks 9th in the United States when it comes to broadband deployment. We should be ranked 1st, not because we want the ranking, but because we want the economic benefit that will come therefrom.

Many have said, "The State and Communities who are best able to provide true broadband connectivity to every home and worksite within their respective jurisdictions will have a real advantage in the future to come." I agree. Let's make Utah one of the best of the best and get this done.

UTOPIA in limbo with split vote of owner cities

FRIDAY, JUNE 27, 2014 - 5:47 PM



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TIM GURRISTER

Multimedia Reporter

(/profile?userid=26&lname=Gurrister&fname=Tim)
Standard-Examiner staff

Perry voted to stay with a plan proposed to rehabilitate UTOPIA while three other cities, including Centerville, bailed.

Which leaves the box score at 6-5, six cities voting for phase two in Macquarie Capital's $300 million plan to save the struggling fiber optic company, and five cities bowing out. Perry and Orem finished the voting Thursday night, Perry voting yea to Orem's nay, officially fogging the Macquarie plan's future.

The most controversial part of the Australian finance giant's vision was the mandate that all residents of a UTOPIA city pay a fee.

Even if they don't subscribe, they would pay an $18-20 monthly utility fee to UTOPIA to pass on to Macquarie, as Macquarie's plan stands now. .

The "forced fee" as it's come to be called, would assess in some three years, after the $300 million build-out Macquarie planned to finish the long-stalled fiber-optic Internet highway.

Voting for the Macquarie plan are Perry, Brigham City, Tremonton, Layton, West Valley City and Midvale.

+ \ Se no, and facing the prospect of forever paying off their UTOPIA bonds with tax money instead of subscriber fees, were C . Lindon, Payson, Centerville, and Murray. Murray and Centerville voted no Tuesday night.

Perry and Orem voted at roughly the same time Thursday evening with opposing outcomes. Perry was unanimously in favor, 4-0 with one council member absent. Orem's seven member council went 6-1 against Macquarie's plans.

The Macquarie proposal will now be scaled back, re-evaluated, and there's an outside possibility it could be scuttled, said Wayne Pyle, city manager at West Valley City, and chairman of UTOPIA's board of directors.

"Sure, that's possible, if we don't have enough scale," he said Friday about the 6-5 vote of the cities being a death knell.

The six cities remaining amount to 60 percent of the addresses tied to the Macquarie plan, roughly 100,000, he said, or 100,000 subscribers.

In the past the goal of the roughly 15-year-old UTOPIA network has been plotted at 153,000 subscribers with less than 20,000 signed up through years of missteps and delays.

But talking with a Macquarie executive Thursday night after the voting was in, Pyle said Macquarie for now is just talking about reevaluation.

"We knew some of the cities would possibly opt out," said Pyle. "So now we'll reevaluate, run the numbers again. We're just going to have to see."

As to whether Macquarie might budge on the "forced fee," Pyle said, "I can't really speak to what they might be considering regarding that issue. But that really hurt the chances of continuing the full scale of the project.

"It's something we're going to have to look at a little harder."

West Valley City and Layton have been the strongest proponents for UTOPIA's future plans and most avid spokesmen. Pyle's assistant city manager, Paul Isaac, was named UTOPIA's director earlier this year after Todd Marriott stepped down shortly after Macquarie's involvement was announced.

Both cities are paying in the neighborhood of $2 million a year for their UTOPIA bonds, which all 11 cities committed to in starting UTOPIA, bonds which typically run another 25 years or more. Brigham City pays $435,000 a year while Perry is committed to just over $100,000 annually.

Layton's City Council in voting for the Macquarie plan on June 5 had no residents speak to the plan, either for or against, according to the city recorder's office, as the council quietly opted to stay the course.

Perry Mayor Karen Cronin said 15 citizens spoke at their city council meeting Thursday night, mostly against the proposal. "People are very concerned .... and the majority are adamant about the forced utility fee," she said.

"But we think it can be run with an opt-out provision on the fee," she said. "And we hope to vett that out in going forward."

Contact reporter Tim Gurrister at 801-625-4238, tgurrister@standard.net. Follow him on Twitter at @tgurrister

COMMENTS

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 9:30 PM ON July 1, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the City Council of Centerville City may be conducted via electronic means pursuant to Utah Code Ann. 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

A notebook containing supporting materials for the business agenda items is available for public inspection and review at City Hall and will be available for review at the meeting . Upon request, a citizen may obtain (without charge) the City Manager's memo summarizing the agenda business , or may read this memo on the City's website: http://centervillepublic.novusagenda.com/ .

Tentative Time: - The times shown below are tentative and are subject to change during the meeting.

A. NEW BUSINESS

1. Minutes Review and Acceptance

   June 17, 2014 meeting

2. Consider Funding Upgrades to I-15 Pedestrian Bridge

B. ADJOURNMENT

Steve H. Thacker
Executive Director

The Salt Lake Tribune

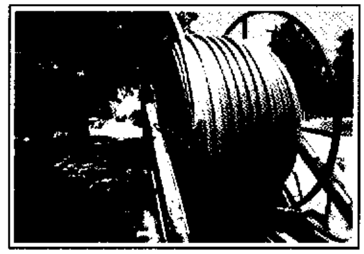
Six Utah cities move ahead on UTOPIA deal — for now

Broadband • Controversial utility fee leads five member cities to back away.

BY LEE DAVIDSON

THE SALT LAKE TRIBUNE

PUBLISHED: JUNE 30, 2014 10:53PM
UPDATED: JUNE 30, 2014 09:22PM



Steve Griffin | Tribune file photo UTOPIA crews make a path for orange conduit, which will house cables for the fiber-optic network that several Utah cities have embraced. But the 11 city coalition has seen five member cities bail out in recent votes over a controversial fee that would be charged every household under a plan by a company bidding to take over the operation.

West Valley City • Only six of UTOPIA's 11 member cities voted Monday to continue toward possibly contracting with a would-be savior to finish the consortium's troubled high-speed, fiber-optic broadband network in a quick 30 months and finally put it on solid financial footing.

So Australia-based Macquarie Capital now will continue detailed studies on taking over and completing UTOPIA broadband in just those six cities: West Valley City, Layton, Midvale, Brigham City, Perry and Tremonton.

What happens with the other five — Centerville, Lindon, Murray, Orem and Payson — remains to be determined.

"We need to figure out a way to contract with those cities so that their portion of the [existing] network continues to be serviced" if Macquarie eventually takes over elsewhere, said UTOPIA Board Chairman Wayne Pyle, who is also the West Valley City manager.

The UTOPIA board voted 6-5 on Monday to proceed to the next three-month phase of a study on Macquarie's proposal — including more detailed engineering and construction plans along with a look at financing, bonding and legal issues.

That portion of the study is estimated to cost up to $980,000, Pyle said. The six cities that voted to proceed could be on the hook for up to that amount if they ultimately choose not to contract with Macquarie. The company would cover those costs if it is awarded a contract.

The five cities that opted out have no responsibility for those additional study costs, Pyle said.

Macquarie's proposal includes a controversial monthly utility fee estimated at $18 to $20 per household — whether residents want service or not — to help defray network construction costs. The five cities that opted out generally opposed that fee, and now would not face it, although they still are obligated for previous commitments.

—

New fee estimates • Because those five cities are out, Pyle said, it affects the size and costs of the project. He said the company hopes to provide within about a week some rough estimates of what the change will do to costs, and how it may alter the monthly utility fee.

Some of the six cities that are moving forward warned Monday that if costs increase significantly, they also would withdraw support — and would want another quick vote to halt ongoing studies.

Because of that, Royce Van Tassell, vice president of the Utah Taxpayers Association, which has been critical of UTOPIA, said the board should have waited to vote until it had that information in hand.

"It seems a little premature, given that Macquarie is still going to re-evaluate costs," he said. But "it's good to know that they may come back if that's necessary."

Pyle said the allure of Macquarie for some cities is, in part, that it could "save us money because they have economy of scale with huge companies globally" to build the network. "Macquarie is huge. They are the largest public-private partnership infrastructure builder in the world."

He said the company is offering to finish the system in all cities in 30 months, while construction would otherwise likely drag on for years. Macquarie is large and stable, he added, and should be a good operator of the system.

Meanwhile, UTOPIA is also awaiting a competing proposal from another suitor: Utah-based broadband provider First Digital Telecom. The board has given it until next month to provide details on how it would propose to take over and operate the system.

—

UTOPIA history • Short for the Utah Telecommunication Open Infrastructure Agency, UTOPIA was envisioned 12 years ago as an economic-development tool meant to connect businesses and homes in member cities with Internet access at speeds up to 200 times faster than download and upload rates typically available from private vendors.

But UTOPIA has struggled through the years, due to a combination of mismanagement, heavy debt, opposition from private-sector telecommunication companies, construction problems that left the UTOPIA grid partly finished, and low sign-up rates from potential customers.

While UTOPIA's finances have improved recently, its member cities continue to subsidize the quasi-public agency's budget losses, as well as pay millions of dollars a year in city sales and business tax revenue to cover UTOPIA's massive debt obligations.

That debt burden on taxpayers would persist even if the UTOPIA network was shut down or sold off in pieces.

Macquarie began pursuing the UTOPIA deal in 2013. Known primarily for transit projects, Macquarie Capital Group is a subsidiary of Macquarie Group Limited, an Australian investment and management firm with projects in 28 countries and a market capitalization of $14 billion.

The company believes it can deliver a finished UTOPIA network on a set timetable and run it at a profit in a 30-year concession contract with member cities, which would keep ownership of the grid.

Under its public-private partnership model, city governments no longer would manage the network directly, instead setting benchmarks on service that Macquarie would contract to meet.

Under Macquarie's plan, UTOPIA would remain an open network, with access available on a wholesale basis to private Internet service providers, who could in turn offer retail services such as Web access or video on demand to customers over Macquarie-operated fiber.

Deseret News

UTOPIA board votes to move forward with Macquarie deal

By Benjamin Wood , Deseret News
Published: Monday, June 30 2014 4:24 p.m. MDT

Technicians Josh Kester, front left, and Chris Adams, back left, work Wednesday, Aug. 1, 2012 in the Network Operations Center of Utopia. The UTOPIA board of directors voted Monday to proceed to the second of several proposed milestones in a deal to cede control and operation of the fiber-optic network to Macquarie Capital Group. (Scott G Winterton, Deseret News)

WEST VALLEY CITY — The UTOPIA board of directors voted Monday to move forward with a proposal to cede control and management of the embattled fiber-optic network to an Australia-based investment group.

The board's decision follows separate city council votes in each of the 11 UTOPIA member cities, which resulted in a 6-5 split on whether to proceed to the second of several milestones established by Macquarie Capital Group.

Wayne Pyle, West Valley City manager and UTOPIA board chairman, said Monday's board vote reflected that division of cities. While the majority of the board voted to proceed to Milestone 2, there is no obligation for dissenting cities to participate in the controversial utility fee model of the Macquarie deal, Pyle said.

"We knew all along that it was likely that not all 11 cities would adopt," he said. "At no time were we contemplating a situation where we would force any city in."

The Utah Telecommunications Open Infrastructure Agency began 12 years ago as a means to bring high-speed Internet, phone and television services to individuals and businesses along the Wasatch Front. But low sign-ups and stalled construction have left the network incomplete, serving a small base of customers and languishing in debt.

Under the Macquarie proposal, the investment group would finish construction of the network and provide basic Internet service to all residents for 30 years in exchange for a monthly utility fee of initially $18 to $20.

Pyle said the participating cities — Brigham City, West Valley City, Layton, Midvale, Perry and Tremonton — account for roughly 60 percent of the total addresses in the UTOPIA service area.

Milestone 2 is expected to be completed in the next three months, he said. During that time, Macquarie will finalize the terms of the proposal, including an updated cost structure based on the number of participating cities.

"We assume that there is enough participation to be able to move forward," Pyle said. "It really is just a question of how are the numbers affected, and I believe they will be affected to some degree. We just don't know what that is."

For those cities that opt out of the Macquarie proposal — which Centerville, Lindon, Murray, Orem and Payson appear poised to do following recent city council votes — Pyle said the status quo of current UTOPIA service will be effectively preserved.

Current customers in opt-out cities can expect a similar level of service and accessibility under Macquarie, Pyle said, but those cities will not benefit from an increased customer base as the network is fully built out.

"It's probably safe to assume that as long as the system is here, whether it's under Macquarie or under the original setup, the services for them will largely remain the same," Pyle said.

Monday's vote does not commit UTOPIA to accepting Macquarie's proposal, he said, but instead allows for cities to proceed with more information. But cities participating in Milestone 2 are also subject to greater exit costs if the deal with Macquarie is ultimately abandoned.

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