

CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REGULAR PUBLIC MEETING AT 7:00 PM ON DECEMBER 18, 2018 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 Jacob Smith, Centerville Management Services Director, at 801-295-3477, 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://centerville.novusagenda.com/agendapublic>.**

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

6:00 Work Session

7:00 **A. ROLL CALL**

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

B. PRAYER OR THOUGHT

Councilwoman Fillmore

C. PLEDGE OF ALLEGIANCE

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.) Please state your name and city of residence.**

E. BUSINESS

7:10 1. Minutes Review & Acceptance
December 4, 2018 regular meeting minutes

7:10 2. Public Hearing - Subdivision Plat Amendment - Woods Park Subdivision

- Consider Subdivision Plat Amendment for the Woods Park Subdivision located at Lund Lane and Frontage Road
- 7:20 3. Public Hearing- Sheffield Downs Final Subdivision Plat
- Consider Final Subdivision Plat for Sheffield Downs, a 33-lot single-family subdivision at approximately 274 E. Pages Lane (former Dick's Market site)
- 7:40 4. Update re Island View Park Renovation Project Public Open House
- 7:50 5. Zoning Code Amendment - Table of Uses and Definitions for Commercial Medium Zone (South Main Street Corridor)
- CONTINUED FROM DECEMBER 4, 2018**
- Consider the proposed Zoning Code Amendments to CZC 12.21.040 regarding Definitions and CZC 12.36 regarding Table of Uses for uses within the Commercial Medium (C-M) Zone (which is located along Main Street from Parrish Lane to Porter Lane) - Ordinance No. 2018-25
- 8:20 6. Discussion of Proposed Amendments to SMC Overlay Zone
- Discussion of proposed amendments to South Main Street Corridor Overlay Zone regarding building setbacks and side yard distance between buildings.
- 8:50 7. Mayor's Report
- a. UIA/UTOPIA update
 - b. Fire Service Area
- 9:00 8. Council Liaison Report - Councilwoman Mecham - Trails Committee and Davis County COG Transportation Committee
- 9:10 9. City Manager's Report
- a. Building inspection services
 - b. Complete Streets Committee
 - c. Parrish Lane mill & paving project in 2019
 - d. Work session with State Legislators
10. 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
11. Possible action following closed meeting, including appointments to boards and committees

F. ADJOURNMENT

CENTERVILLE

**Staff Backup Report
12/18/2018**

Item No.

Short Title: Work Session

Initiated By:

Scheduled Time: 6:00

SUBJECT

RECOMMENDATION

See separate agenda posted for work session.

BACKGROUND

CENTERVILLE

**Staff Backup Report
12/18/2018**

Item No.

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

Initiated By:

Scheduled Time:

SUBJECT

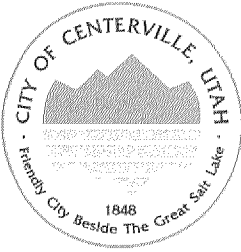
RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ▣ City Manager Summary Memo



CENTERVILLE CITY

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

Incorporated in 1915

Mayor

Clark Wilkinson

City Council

Tamilyn Fillmore

William Ince

Stephanie Ivie

George McEwan

Robyn Mecham

City Manager

Steve H. Thacker

interoffice MEMORANDUM

to: Mayor Wilkinson
City Council
cc: Department Heads
Planning Commission
from: Steve H. Thacker, City Manager 
subject: City Manager's Summary of December 18, 2018 Council Meeting
date: December 14, 2018

6:00 **Work Session** – The Council will meet in a work session at 6:00 p.m. to review the independent auditor's report for Fiscal Year ending June 30, 2018, and the November 30, 2018 financial report for the current fiscal year. Jeff Bauer, Audit Manager from the CPA firm of HintonBurdick, will be connected by speaker phone to summarize the audit report and answer questions. Marcus Arbuckle, the City's contract CPA adviser, will be present to comment on Jeff's audit report and other sections in the Comprehensive Annual Financial Report (which includes the auditor's report). Marcus will also review and answer questions about the current fiscal year financial report. Dinner will be available beginning about 5:45 p.m.

7:00 **Regular City Council Meeting**

E.1. **Minutes Review** – The minutes to be approved are available via NovusAgenda.

E.2. **Public Hearing – Woods Park Subdivision Plat Amendment** – This amendment to two notes on the Woods Park plat will resolve the current discrepancies between the original approved plat and actual conditions in the subdivision—specifically the width of several driveway approaches and several fences. The Homeowners Association is the applicant. The amended plat will have to be signed by all property owners within the subdivision. This amended plat, upon recording, will conclude a lengthy process over the past few years to resolve these non-compliant conditions.

E.3. **Public Hearing – Sheffield Downs Final Subdivision Plat** – The Planning Commission unanimously recommends approval of the final subdivision plat for this 33-lot single-family planned unit development on Pages Lane on the site of the former Dick's Market. The Council's approval of this matter would conclude an extended process over the past couple of years to determine an acceptable redevelopment plan for this property. This subdivision does not incorporate the parcel on which the current Ace Hardware Store is located. However, the subdivision layout is such that the interior road could be connected to a future road on the Ace Hardware parcel if it is redeveloped.

E.4. **Update re Island View Park Project Open House** – Bruce Cox, Parks & Recreation Director, will update the Council about the latest preliminary design for this project and what to expect at the open house and as a result of the open house.

- E.5. Zoning Code Amendment – Table of Uses and Definitions for C-M Zone** – A public hearing was held on this matter on December 4 and the Council tabled further discussion to their next meeting. This Zoning Code amendment is the result of a desire by the Planning Commission and City Council to promote Main Street revitalization by expanding the uses allowed in the Commercial-Medium Zone within that corridor; however, the City Council desired more time to determine which of the recommended changes they will support.
- E.6. Proposed Amendments to SMSC Overlay Zone** – When the Council discussed the matter immediately above in their December 4 meeting, they identified additional changes they would like to make to the South Main Street Corridor Overlay Zone regulations—specifically regarding building setbacks and side yards between buildings on adjoining lots. They directed staff to draft proposed amendments for their consideration at the December 18 meeting. If the Council chooses to pursue these changes, they will need to send the matter to Planning Commission for their review and a public hearing before it can come back to the City Council for their formal action.
- E.7. Mayor’s Report** – Mayor Wilkinson will report on matters of City interest, including UIA/UTOPIA and the Fire Service Area. Recent financial reports are available on NovusAgenda for these entities.
- E.8. Council Liaison Report** – Councilwoman Robyn Mecham will report on the activities/issues of the Trails Committee and Davis County COG Transportation Committee.
- E.9. City Manager’s Report** – I will report on several matters of City interest, including those topics shown on the agenda under this heading.
- E.10. Closed Meeting, if necessary** – I do not know of a need for a closed meeting, but the agenda allows for that possibility.
- E.11. Appointments to Boards/Committees** – Mayor Wilkinson may recommend appointments.

Potential Agenda Items for January 2, 2019 meetings (subject to change):

- *Possible work session with State Legislators (moved from January 15)*
- *Recording secretary contract renewals*
- *RDA meeting re tax increment request*

CENTERVILLE

**Staff Backup Report
12/18/2018**

Item No.

Short Title: Councilwoman Fillmore

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

CENTERVILLE

**Staff Backup Report
12/18/2018**

Item No. 1.

Short Title: Minutes Review & Acceptance

Initiated By: City Recorder

Scheduled Time: 7:10

SUBJECT

December 4, 2018 regular meeting minutes

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- 12-4-18 City Council Preliminary Draft Minutes

Minutes of the Centerville **City Council** meeting held Tuesday, December 4, 2018 at 7:00 p.m.
at Centerville City Hall, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor Clark Wilkinson

Council Members Tamilyn Fillmore
William Ince
Stephanie Ivie
George McEwan
Robyn Mecham

STAFF PRESENT

Steve Thacker, City Manager
Lisa Romney, City Attorney
Jacob Smith, Management Services Director
Cory Snyder, Community Development Director
Cassie Younger, Assistant Planner
Katie Rust, Recording Secretary

VISITORS

Jim Stephens, Centerville Small Arms Association
Lynn Keddington, Parks and Recreation Committee Chair
Paul Stead, Utah State University
Interested Citizens

PRAYER OR THOUGHT Councilwoman Mecham

PLEDGE OF ALLEGIANCE

OPEN SESSION

No one wished to comment.

MINUTES REVIEW AND ACCEPTANCE

The minutes of the November 20, 2018 meeting were reviewed. Councilman Ince made a **motion** to accept the minutes. Councilwoman Mecham seconded the motion, which passed by unanimous vote (5-0).

SUMMARY ACTION CALENDAR

- a. Adopt Resolution No. 2018-24 approving 2019 City Council Meeting Schedule
- b. Approve agreement with Utah State University re update of parks master plan
- c. Approve end of warranty period for Miles Manor Subdivision

Councilman McEwan made a **motion** to approve all three items on the Summary Action Calendar. Councilman Ince seconded the motion, which passed by unanimous vote (5-0). Steve Thacker noted that he recommends in the staff report that the City pay its \$15,000 cost for the USU parks master plan agreement from RAP Tax Fund Contingency budget. He will assume the Council agrees unless they tell him otherwise.

GUN RANGE LEASE RENEWAL

The Lease Agreement between the City and the Centerville Small Arms Association expires on December 31, 2018. Staff recommends a one-year renewal at this time pending additional study of the foothills and hillside area uses that is currently underway. Jim Stephens, President of the Centerville Small Arms Association, explained improvements that have been completed or are planned at the Gun Range. Responding to a question from Councilman McEwan, Mr. Stephens said the range is used by hundreds of people, mostly from Centerville and Bountiful. Mr. Thacker pointed out that the range is regularly used by law enforcement agencies. The Centerville range is unique in the area in having a 600-yard range.

Councilman Ince made a **motion** to approve Amendment No. 1 to Gun Range Lease Agreement authorizing renewal of the Gun Range Lease for one year and other various amendments. Councilwoman Mecham seconded the motion. Councilman McEwan questioned the recommended one-year term, and said he would not want to see use of the land as a gun range pushed out by the many other competing uses for the hillside at the end of the one-year term. Mr. Thacker said he recommended a one-year renewal to allow for the possibility that the hillside study may identify issues that should be taken into account in renewal of the Lease Agreement, not with the assumption or intention that the Lease would be terminated in favor of another use. The motion passed by unanimous vote (5-0).

PUBLIC HEARING – POLICE DEPARTMENT APPLICATION FOR FEDERAL GRANT TO PURCHASE BALLISTIC HELMETS

Based on updated information from the grantor agency, this matter no longer needs a public hearing or approval by the City Council.

PUBLIC HEARING – ZONING CODE AMENDMENT – TABLE OF USES AND DEFINITIONS FOR COMMERCIAL-MEDIUM ZONE (SOUTH MAIN STREET CORRIDOR)

The City Council and Planning Commission met in a joint work session on February 21, 2018 to discuss potential changes to the South Main Street Corridor, specifically the area between Parrish Lane and Porter Lane as an area in need of revitalization. As a first step, they agreed to start examining potentially expanding the uses allowed in this zone, which is zoned entirely Commercial-Medium (C-M), as a way to open up business possibilities and future tenants to currently vacant or underused properties. The Planning Commission held multiple public meetings on this issue in order to receive as much public feedback as possible. Cassie Younger, Assistant Planner, presented amendments recommended by the Planning Commission to expand uses allowed in the C-M Zone.

Regarding the possibility of a business owner adding a drive-thru, Cory Snyder, Community Development Director, explained that the Planning Commission chose to allow flexibility for property owners, knowing UDOT standards will be a natural limitation. Ms. Romney explained that a conditional use permit can only be denied if negative impacts are identified that cannot be mitigated. Each site would be evaluated independently for negative impacts. Councilwoman Mecham stated it is difficult to make a decision without knowing what the Council is going to do with the Main Street Overlay and form-based code. Councilman Ince requested a table listing all commercial uses currently permitted and conditional in the C-M Zone alongside the proposed additional uses for comparison.

Mayor Wilkinson opened a public hearing at 8:03 p.m.

1 Robin Neville – Ms. Neville said she lives adjacent to O'Brien Glass, and this is the first
2 meeting regarding this issue she has been officially invited too. She said she appreciates that
3 the Council wants to revitalize Main Street, but she has many concerns. She stated too much
4 commercial along Main Street would destroy the small-town feeling. Main Street is part of the
5 Deuel Creek Historic District, which she believes would be negatively affected by the proposed
6 changes. She asked the Council to please develop Main Street in harmony with the historic,
7 small-town nature of Centerville. She suggested the overlay be changed to allow the building of
8 new single-family homes, since what most people want on Main Street is more homes, not
9 businesses.

10
11 Travis Shupe – Mr. Shupe owns the fire station property at 125 South Main Street. He
12 commented that there are not a lot of uses currently permitted along Main Street. His business
13 falls under the Construction Sales and Service, Limited use. Mr. Shupe said he is prepared to
14 make a big investment in his property on Main Street. He introduced Dwight Yee with Process
15 Studio, an architect hired by Shupe Electric to help them understand the form-based code and
16 what is possible with their property.

17
18 Dwight Yee, Process Studio – Mr. Yee showed designs of what could be done with the
19 existing fire station building to provide office space and storage with the existing form-based
20 code. He stated that, from an architectural standpoint, it is possible to design something with
21 form-based code that meets needs now and potentially in the future. He said it would be difficult
22 to find users that fit the existing buildings with the current use limitations. Mr. Yee said his
23 proposed designs fit the existing overlay requirements.

24
25 Spence Packer – Mr. Packer commented that right now the Table of Uses is very
26 restrictive, and the Planning Commission has made a recommendation that would give the
27 opportunity to expand development and still give the City some control. He said he views the
28 recommendation as positive in that it allows further uses but is still restrictive enough to
29 maintain the small-town feel. He said he believes Centerville may be able to hold onto the
30 small-town feel a little longer, but growth is inevitable.

31
32 Cami Layton – Ms. Layton said she lives across the street from Centerville Junior High.
33 She said she wants to make sure the intensity of the changes does not equal manipulation of
34 density. She said she wants to protect and preserve quality of life. Ms. Layton said she
35 believes a walkable community is a ridiculous idea given climate and safety issues. She asked
36 the Council to be careful with intensity of uses and be patient and give changes made in 2003 a
37 chance. She read aloud comments of Davis County citizens who do not live in Centerville who
38 are not in favor of increased housing density. Ms. Layton said she hopes the Council is not
39 feeling bullied to increase density in Centerville, and she hopes the Council will be mindful of
40 impacts on the homes around the South Main Street Corridor.

41
42 Maurine Huffaker – Responding to a comment that the Centerville Cemetery no longer
43 has available burial space, Ms. Huffaker asked if the City has a plan to deal with the situation.
44 Mayor Wilkinson responded that he and the Council continue to work on the issue.

45
46 Brad Shupe – Mr. Shupe said that as a citizen of Centerville for 60 years, he has
47 watched the community change. He said Shupe Electric has been mindful of what the citizens
48 want in putting plans together for the fire station property at 125 South Main Street. Mr. Shupe
49 said they are able to fit all City requirements except the current Table of Uses.

1 Dale Engberson – Mr. Engberson said he loved the small-town feel of Centerville when
2 he moved here, and he feels it is still a great place to be. He asked the Council to look carefully
3 at the issue and make it possible for companies that want the best for the community, like
4 Shupe Electric, to operate on Main Street.

5
6 Andy Bavelas – Mr. Bavelas said the City has a very good City Council. He suggested
7 the City put together an electronic survey to see what citizens want. He said a survey would
8 help citizens feel involved and know what is going on.

9
10 Cami Layton – Ms. Layton said there have been several surveys in the past, and the
11 citizens have made it clear what they want. She said the citizens do not want townhouses,
12 apartments, or condos on Main Street.

13
14 Kyle Shupe – Mr. Shupe said it is important to note that the Construction Sales and
15 Service use already exists on Main Street. Shupe Electric would not be changing what already
16 exists. He commented that the existing fire building would be difficult for most businesses to
17 occupy.

18
19 The Mayor closed the public hearing at 8:40 p.m. Mr. Snyder explained the outreach
20 approach used by the Planning Commission for this issue. He said the discussion with property
21 owners was the best attended. Councilwoman Fillmore made a **motion** to approve Ordinance
22 No. 2018-25 amending CZC 12.12.040 regarding Definitions and CZC 12.36 regarding Table of
23 Uses for uses within the C-M Zone. The motion failed for lack of second.

24
25 Councilman McEwan said he thinks there is a hybrid between the Table of Uses and
26 zoning. He said it was his impression after the joint work session that the Planning Commission
27 would first be looking at form-based zoning or the overlay. Councilman Ince said that,
28 unfortunately, once commercial enters a corridor it probably signals the death of single-family
29 homes in an area or a main street. He said he believes the best the Council can do is attempt
30 to make the development that occurs as friendly as possible to existing neighboring single-
31 family homes. Councilman Ince agreed the Council needs to deal with all three issues: Table of
32 Uses, form-based code, and Overlay. Councilman Ince made a **motion** to table the issue to the
33 next Council meeting without additional public hearing. Councilman McEwan seconded the
34 motion, which passed by unanimous vote (5-0). Councilwoman Mecham made a **motion** to
35 direct staff to draft an ordinance that would amend setbacks, building size, and side yards in the
36 SMSC. The motion was seconded by Councilman Ince and passed by unanimous vote (5-0).

37
38 **COMMUNITY SURVEY QUESTIONNAIRE REGARDING PARKS AND FUNDING FOR**
39 **SURVEY ADMINISTRATION**

40
41 Lynn Keddington, Parks and Recreation Committee Chair, presented a revised survey
42 questionnaire regarding parks. The Council reviewed an earlier draft of the questionnaire on
43 November 20th. Paul Stead with Utah State University, who helped put the questionnaire
44 together, said he thinks offering the survey both online and by mail gives the highest chance for
45 participation. The return postage with a return rate of 15% is estimated to be \$1,000-\$1,300.
46 Councilwoman Fillmore said she feels offering the mail option is important to get the feedback
47 desired. Councilman McEwan said he believes a 15% return rate would be worth the money.

48
49 Councilwoman Fillmore made a **motion** to approve the survey questionnaire, and
50 approve the needed funds to come from RAP Tax revenue. Councilman McEwan seconded the
51 motion, which passed by unanimous vote (5-0).

RESOLUTION SUPPORTING CONTINUATION OF THE PROHIBITION OF LARGE TRUCKS ON LEGACY PARKWAY

Councilwoman Mecham explained that restrictions prohibiting large trucks on Legacy Parkway as adopted by the Utah Legislature expire on January 1, 2020. Farmington and Woods Cross have passed resolutions encouraging the Utah Legislature to consider repealing or extending the restriction. Councilwoman Mecham asked the Centerville Council to consider adopting a similar resolution. She said the speed limit on Legacy Parkway will most likely be increased. Councilwoman Fillmore said she would support continued prohibition of billboards. Mr. Snyder responded the prohibition of billboards will continue as long as Legacy Parkway is designated a scenic byway.

Councilwoman Mecham made a **motion** to adopt Resolution No. 2018-25 supporting the continuation of the prohibition of large trucks on Legacy Parkway. Councilman McEwan seconded the motion, which passed by unanimous vote (5-0).

CITY MANAGER RECRUITMENT

Council members reviewed and gave feedback on the long and short versions of a job announcement for replacing the City Manager, who is retiring at the end of March 2019.

RANKED CHOICE VOTING

Lisa Romney reported that Davis County will not provide ranked choice voting services at this time. Therefore, ranked choice voting is not a realistic option for Centerville for the 2019 election. She suggested the City wait and see how it goes in other cities. Councilman McEwan said he believes it is worth discussing the option if it goes well in other cities because it presents a number of potential positives.

OPEN AND PUBLIC MEETINGS ACT TRAINING

Lisa Romney provided training regarding requirements and provisions of the Utah Open Meetings Act.

MAYOR'S REPORT

- Mayor Wilkinson read aloud a letter he received from a Centerville resident expressing appreciation for City Public Works employees.
- Paul Smith has resigned from the Whitaker Museum Board after many years of service.

CITY MANAGER'S REPORT

- A majority of the Council supported a process presented by Mr. Thacker for determining Main Street striping in 2019.
- A Council work session with Legislators is scheduled for January 15, 2019.
- Mr. Thacker suggested the Council meet in a work session with a compensation consultant on January 8, 2019. Councilman McEwan said he would appreciate being able to review applicable data before the work session. The Council did not object to holding the work session on that date.

- The Council approved scheduling an open house regarding Island View Park on Thursday, January 10, 2019, from 6 to 8 p.m.

ADJOURNMENT AND CLOSED MEETING

At 10:04 p.m., Councilman McEwan made a **motion** to adjourn the Council meeting and move to a closed meeting in Council Chambers to discuss character and competency of an individual with no intention to return to open meeting. Councilman Ince seconded the motion, which passed by majority vote (4-1), with Councilwoman Fillmore dissenting. In attendance at the closed meeting were: Clark Wilkinson, Mayor; Council members Fillmore, Ince, Ivie, McEwan, and Mecham; Steve Thacker, City Manager; Lisa Romney, City Attorney; Cory Snyder, Community Development Director; and Jeff Bassett, SDMFA Fire Chief.

Mackenzie Wood, City Recorder

Date Approved

Katie Rust, Recording Secretary

CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 2.

Short Title: Public Hearing - Subdivision Plat Amendment - Woods Park Subdivision

Initiated By: Steve Johns

Scheduled Time: 7:10

SUBJECT

Consider Subdivision Plat Amendment for the Woods Park Subdivision located at Lund Lane and Frontage Road

RECOMMENDATION

Approve the Subdivision Plat Amendment for the Woods Park Subdivision located at Lund Lane and Frontage Road, subject to the conditions and based on the findings set forth in the Staff Report.

BACKGROUND

The Woods Park Homeowners Association desires to amend specific plat notes for the Woods Park Subdivision regarding driveway widths and fencing. The amendments to the plat notes require a plat amendment as provided in the attached Woods Park Subdivision - First Amended plat. The Staff Transmittal Report for this matter is attached.

The second attachment shows the amended plat. The last page of that attachment is a readable version of the amended plat notes.

ATTACHMENTS:

Description

- 11-26-18 CC Staff Report Woods Park Subdivision Plat Amendment
- Woods Park Plat Amended Submittal

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

STAFF REPORT

PETITIONER: OAKWOOD HOMES
C/O STEVE JOHNS
206 EAST WINCHESTER STREET
MURRY, UTAH 84107
(sjohns@oakwoodhomesco.com)

PROPERTY OWNERS/AGENT: WOOD PARK HOME OWNERS ASSOCIATION
2350 NORTH 750 WEST
CENTERVILLE, UTAH 84014

PROPERTY: WOODS PARK SUBDIVISION (*WEST LUND LANE AREA*)

ZONING: RESIDENTIAL-LOW/PLANNED DEVELOPMENT
(R-L/PD)

APPLICATION: SUBDIVISION PLAT AMENDMENT – AMEND PLAT
NOTES REGARDING DRIVEWAYS AND FENCING

RECOMMENDATION: CONSIDER APPROVING THE PROPOSED
AMENDMENT

BACKGROUND

As the Council may be aware, over the past while the Community Development Department, with other City Staff, have had several communications with Oakwood Homes and several homeowners regarding non-compliance with the planned development plat provisions of the Woods Park Subdivision. The specific provisions are related to approved driveway widths and fencing. Below summarize these matters:

- **Approved Driveway Construction** – In accordance with Note #13 of the Subdivision Plat, the drive access and driveway widths are specifically limited in width. The approved drive access width is narrower than the approved/allowable driveway width. This required that the “hard surfacing” of the driveway to taper down in width to meet the width of the narrower drive access. The provision specifically indicates that upon building permit, the approved taper was to be shown on the building plans and that once approved “*no other hard surfacing was to be allowed.*” This provision was intended to preserve, to the extent possible, the visual appeal landscaping and openness of the project, which had received a bonus density allowance.

- **Non-compliance Status** – The issued permits for Lots 10, 14, 15, 18 either do not comply with the plat provision or do not comply with the approved building permit approval. In past discussions held with Oakwood Homes and the residents, Oakwood Homes offered to remedy these problems, provided that homeowners allowed them to correct the problems.
- **Approved Fencing Layout** – In accordance with Note #11, all fencing is restricted to the rear yard areas of each lot. Fencing may not extent into any side yard or front yard area. The City does not require any permit related to fencing up to six (6) feet in height. Consequently, either Oakwood Homes or homeowners are responsible for instructing any fencing contractor regarding the limitations. City Staff has observed that several fencing schemes within the subdivision to not comply with the limitation of the approved development.

One of the identified options that the City staff raised in the past was the idea of having the developer and/or the owners to seek a “*Subdivision Plat Amendment*” to alter the noted provisions in a more favorable manner to resolve the issues. After some consideration, the Developer and the HOA representatives have decided to seek a plat amendment to remedy the matters mentioned above.

SUBDIVISION PLAT AMENDMENT PROCESS

According to state and local regulations, a plat amendment may be approved if two (2) specific criteria are evaluated and the amendment is deemed acceptable. The approval criteria with staff’s interpreted analyses and comments are as follows:

1. **Is there a good cause for the plat amendment, and?**
2. **Will the public interest be materially injured by the proposed plat amendment?**

Staff Response: As indicated earlier, the amendment involves altering the restrictive Notes 11 and 13. Generally, these notes were put in place for the specific purpose of addressing the layout and design of the development that included a density bonus that was allotted to the subdivision as a Planned Development. As the Council may be aware, the current builder, which had taken over from the original developer, did not fully understand the design expectations and constructed, or allowed to be constructed, a few driveways that exceeded the parameters, specifically associated with three (3) car garages for a few of the lots. Additionally, a few home owners were not aware of the fencing parameters and have installed fences that do not meet the plat restrictions. Generally, these requirements were specific to the Woods Park Project and the amendments are supported by the Home Owner’s Association.

With regards to Note 13, Staff believes that the driveway width notes were specifically designed to maintain “curb appeal” by balancing the front yard landscaping with driveway or hard-surfacing amounts. The note is somewhat unclear about the angle expectation for three-car garage lots, when describing the allowed widths of the drive

approach verses the driveway width. Thus, adjusting the note to clarify the matter is not a detrimental amendment in staff's opinion.

However, if Note 11 is left "intentionally blank," as proposed, then all fencing would be then subject to the existing City-wide standards, as described in the Zoning Ordinance. The zoning ordinance limits the fence height for corner lots to 4 feet, until both street front setbacks are satisfied, then a height may be increased to 6 feet.

The main concern would be the conflict of the side yard fencing for all the corner lots of the subdivision, which have 6-foot fencing for the street side yards installed out very close to street rights-of-way. Such street-side yard fencing is NOT allowed by the current Zoning Ordinance Standards and would create "non-compliances" for all the corner lots in the Woods Park Subdivision.

Original PDO Approval Compliance Evaluation – On April 02, 2013, the City approved the Woods Park PDO Rezone and Conceptual Plan. Staff has reviewed the original conditions of that approval. It is staff's conclusion that original approval did not specifically address the matters relating to the proposed amendment. Additionally, Condition 1 allows for future changes "as amended by the City." Therefore, it is the opinion of staff the amending the original PDO approval is not needed for this particular request.

PLANNING STAFF RECOMMENDATION

If the City Council finds requested amendment is supported by "GOOD CAUSE" and, with conditions, the public interest "WILL NOT BE MATERIALLY INJURED," in accordance with 15-5-102(4), the following sample motion is provided for consideration:

"I hereby make a motion for the City Council approve the proposed plat amendment, regarding Note 11 and Note 13 of the Woods Park Subdivisions, subject to the following:

- 1) **Preparation and submittal of a final linen subdivision plat**, as outlined in City Ordinance, to the City Recorder's Office, which shall reflect the approved amendments presented to the City Council and the alterations required by this approval.*
- 2) **Note 11 shall be amended to state the following** (or as deemed acceptable for clarification by the City Attorney):*

"Fencing shall be allowed for all rear and side yard areas, including the street side yard of lots (i.e. fence placement limited to along the side of the house elevation facing the street) and shall not exceed a height of 6 feet. Front Yard fencing (i.e. along the entire front of the lot with the house elevation facing the street to the depth of the front yard setback) shall be prohibited.

- 3) **Note 13 shall be amended to state the following:***

“No two-car garage home may have a curb cut greater than 23 feet wide, a drive approach skirt wider than 19 feet, and a driveway wider than 20 feet at its maximum width. Except as otherwise provided herein, no three-car garage home may have a curb cut wider than 27 feet wide, a drive approach skirt wider than 22 feet, and a driveway wider than 30 feet at its maximum width. Lots 10, 13, 14, 15 and 18 may not have a curb cut wider than 35 feet wide, a drive approach skirt wider than 30 feet wide, and a driveway wider than 30 feet at its maximum width; provided: (1) the maximum curb cut width must provide at least five lineal feet of curb length before the driveway curb cut for either adjacent lot; and (2) all water meter, irrigation and utility boxes must be located outside any concrete area in accordance with Centerville Municipal Code 9.02.240, as amended, and if required to be relocated shall be relocated at the builders or property owner’s cost. Builder or property owner shall submit a plot plan showing the tapered driveway widths and layout on each home to the city. Once approved for a building permit, no further front or side yard concrete may be added. (this provision is specifically for the purpose of preserving and protecting the front yard streetscape and landscaping provisions of the PDO approval). The proximity of the driveways and limited curb area within the project creates limited snow storage and removal issues within the project, the City will provide standard snow removal for the public street within the project, but shall not be responsible to provide any additional snow removal services or to manipulate the snow in any way other than plowing.”

Suggested Reasons for the Action (Findings):

- a. The City Council finds that the particular notes on the plat were put in place for the specific purpose of addressing the subdivisions layout and design of the development that included a density bonus that was allotted to the subdivision as a unique Planned Development*
- b. The City Council finds that the current builder, which had taken over from the original developer, did not fully understand the design expectations and constructed, or allowed to be constructed, a few driveways that exceeded the parameters, specifically associated with three (3) car garages for a few of the lots.*
- c. The City Council finds that if Note 11 is left “intentionally blank,” as proposed, then all fencing would be then subject to the existing City-wide standards, as described in the Zoning Ordinance and would create “non-compliances” for all the corner lots in the Woods Park Subdivision.*
- d. Consequently, the City Council finds that Note 11, as modified, will sufficiently address the desires of the HOA and developer.*
- e. The City Councils finds that adjusting the notes to clarify the matters leading to the amendments is not a detrimental to the public interest and no one will be materially injured by the proposed plat amendment.*

10733

10Y-27

20. STAFFER, R. WALTER INDIVIDUAL ECONOMIZEMENT
 PLACE OF BIRTH USA SEA
 DATE OF BIRTH 1924
 ADDRESS 1000 14th St. N.E.
 CITY WASHINGTON, D.C.
 STATE DC
 COUNTRY U.S.A.
 OCCUPATION RESEARCHER
 RESEARCHER RESEARCHER COAST COAST

[illegible][illegible]

INDIVIDUAL ACKNOWLEDGMENT

I, _____, of _____ County, State of _____,
do hereby acknowledge receipt of _____ copies of _____
_____ dated _____.

SIGNED UPON _____
County of _____ S.S.
On this _____ day of _____ A.D. 19____

Printed Name of Agent _____
Signature of Agent _____
FARM BUREAU DISTRICT OFFICE
_____ STATE OF _____

By _____ Agent _____
_____ Secretary _____
_____ Treasurer _____
_____ Farm Bureau District Office _____

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 2. DATE _____
 3. GRADE _____
 4. TEACHER _____
 5. SCHOOL _____
 6. CITY _____
 7. STATE _____
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LOT 18	2021 TAX YEAR	2021 CASE 1336	
		<u>INVOICING ACKNOWLEDGMENT</u>	
NAME OF DONOR	ISS	A.D. 30	2021 TAX YEAR AND PERIOD
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TRUST ACKNOWLEDGMENT

I, _____ of _____ County,

do hereby certify that _____

is the true and lawful owner of the above described premises.

Signed at _____ City, _____ State, this _____ day of _____, 20____.

Notary Public for _____ State.

My Comm. Expires _____

[illegible]



WOODS PARK SUBDIVISION

- FIRST AMENDED

ARIZONA WOODS PARK SUBDIVISION
 10000 N. CENTRALE AVENUE, SUITE 100, DALLAS, TEXAS 75243
 214-343-1000
 BECKETT REPORTS CONTRACTUAL WORK/COUNTY USE

SHEET 3 of 3

DATE LAST CEST PROJECT NUMBER: 000

MATCH



Woods Park

SUBDIVISION - CENTRALE - URB



**WOODS PARK SUBDIVISION
- FIRST AMENDED**

AMENDING WOODS PARK SUBDIVISION
 SITED IN THE NORTHWEST AND SOUTHWEST QUARTERS OF
 CHESHAM TOWNSHIP 3 NORTH, RANGE 1 EAST, SALT LAKE
 COUNTY, UTAH



SALT LAKE CITY
Phone 801-226-0674

TOOELE
Phone 435-340-8500

TRAILER SALES
Phone 801-226-0674

SHEET 3 of 3

PROJECT NUMBER: 553

APPRAISER: KUNSELE

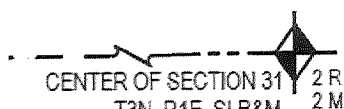
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CHECKED BY: CRUSSELL

RECEIVED SEP 11 2018

-GENERAL NOTES:

1. UNLESS OTHERWISE NOTED, ALL PUBLIC UTILITY AND DRAINAGE EASEMENTS ARE AS FOLLOWS: FRONT=12', SIDE=5', REAR=7'.
2. UTILITIES SHALL HAVE THE RIGHT TO INSTALL, MAINTAIN, AND OPERATE THEIR EQUIPMENT ABOVE AND BELOW GROUND AND ALL OTHER RELATED FACILITIES WITHIN THE PUBLIC UTILITY EASEMENTS (P.U.E.) IDENTIFIED ON THIS PLAT MAP AS MAY BE NECESSARY OR DESIRABLE IN PROVIDING UTILITY SERVICES WITHIN AND WITHOUT THE LOTS IDENTIFIED HEREIN, INCLUDING THE RIGHT OF ACCESS TO SUCH FACILITIES AND THE RIGHT TO REQUIRE REMOVAL OF ANY OBSTRUCTIONS INCLUDING STRUCTURES, TREES AND VEGETATION THAT MAY BE PLACED WITHIN THE P.U.E. THE UTILITY MAY REQUIRE THE LOT OWNER TO REMOVE ALL STRUCTURES WITHIN THE P.U.E. AT THE LOT OWNER'S EXPENSE, OR THE UTILITY MAY REMOVE SUCH STRUCTURES AT THE LOT OWNER'S EXPENSE. AT NO TIME MAY ANY PERMANENT STRUCTURES BE PLACED WITHIN THE P.U.E. OR ANY OTHER OBSTRUCTION WHICH INTERFERES WITH THE USE OF THE P.U.E. WITHOUT THE PRIOR WRITTEN APPROVAL OF THE UTILITIES WITH FACILITIES IN THE P.U.E.
3. APPROVAL OF THIS PLAT BY CENTERVILLE CITY DOES NOT CONSTITUTE ANY REPRESENTATION AS TO THE ADEQUACY OF SUB-SURFACE SOIL CONDITIONS NOR THE LOCATION OR DEPTH OF GROUND WATER. THE DEVELOPER IS TO FOLLOW THE RECOMMENDATIONS OF THEIR SOILS ENGINEER.
4. THE DEVELOPERS SHALL INSTALL AND THE HOME OWNERS ASSOCIATION SHALL BE RESPONSIBLE TO MAINTAIN, IRRIGATE, PROVIDE IRRIGATION WATER AND MOW THE DETENTION BASIN AREAS AND DRAINAGE WAYS. THE CITY WILL PROVIDE SILT REMOVAL AND CLEANING OF THE DETENTION BASINS AND WATER WAYS AFTER MAJOR STORM EVENTS THAT EQUAL OR EXCEED A 100 YEAR STORM. ON SITE STORM DRAINS SHALL BE OPERATED AND MAINTAINED BY THE PROPERTY OWNERS.
5. SUBJECT TO THOSE SPECIFIC WATERLINE AND STORM DRAIN EASEMENTS IN FAVOR OF CENTERVILLE CITY AS RECORDED WITH THE COUNTY.
6. ALL PROPERTY WITHIN THE SUBDIVISION IS SUBJECT TO THE CERTAIN COVENANTS AND RESTRICTIONS AS RECORDED AGAINST THE PROPERTY, THE WOODS PARK DEVELOPMENT AGREEMENT, AND TERMS AND CONDITIONS OF PDO ZONING APPROVAL GRANTED BY CENTERVILLE CITY, ANY AND ALL DEVELOPMENT AND CONSTRUCTION WITHIN THE SUBDIVISION SHALL COMPLY WITH SUCH RECORDED DOCUMENTS AND APPROVALS.
7. PARCEL "A" IS A PARCEL DESIGNATED AS A CENTERVILLE CITY DETENTION BASIN AND STORM DRAIN EASEMENT FOR STORM DRAINAGE PURPOSES; TO BE OWNED AND THE LANDSCAPING MAINTAINED BY THE WOODS PARK HOME OWNERS ASSOCIATION, AND CENTERVILLE CITY TO MANAGE THE STORM WATER.
8. UNLESS OTHERWISE NOTED, BUILDING SETBACKS ARE AS FOLLOWS: FRONT=20', SIDE=5', SIDE ON ROAD=10', REAR=15'.
9. BASEMENT FLOOR ELEVATIONS, WHETHER FINISHED OR UNFINISHED, WILL BE ONE FOOT ABOVE THE HIGH-WATER MARK OF THE DETENTION BASIN ON PARCEL "A", HIGH-WATER ELEVATION=4223.50, MINIMUM BASEMENT FINISH FLOOR ELEVATION=4224.50, BUILDERS SHALL BE REQUIRED TO PROVIDE AN ENGINEER'S CERTIFICATE OF ALL BASE FLOOR ELEVATIONS PRIOR TO POURING THE FOOTINGS FOR ANY STRUCTURE.
10. THIS PROPERTY IS LOCATED IN THE VICINITY OF AN ESTABLISHED AGRICULTURE OPERATION IN WHICH NORMAL AGRICULTURAL USES AND ACTIVITIES HAVE BEEN AFFORDED THE HIGHEST PRIORITY USE, IT CAN BE ANTICIPATED THAT SUCH AGRICULTURAL USES AND ACTIVITIES MAY NOW OR IN THE FUTURE BE CONDUCTED ON PROPERTY INCLUDED IN THE AREA IN WHICH THE AGRICULTURAL OPERATION IS BEING CARRIED ON. THE USE AND ENJOYMENT OF THIS PROPERTY IS EXPRESSLY CONDITIONED ON ACCEPTANCE OF ANY ANNOYANCE OR INCONVENIENCE WHICH MAY RESULT FROM SUCH NORMAL AGRICULTURAL USES AND ACTIVITIES.
11. THIS NOTE INTENTIONALLY LEFT BLANK.
12. ALL HOMES BUILT WITHIN THIS SUBDIVISION MUST COMPLY WITH THE ARCHITECTURAL REQUIREMENTS OF THE PLANNED DEVELOPMENT OVERLAY (PDO) STANDARDS FOUND IN SECTIONS 12-41-080 AS RATIFIED BY THE CENTERVILLE CITY COUNCIL.
13. NO TWO CAR GARAGE HOME MAY HAVE A CURB CUT GREATER THAN 23 FEET WIDE, A DRIVE APPROACH SKIRT WIDER THAN 19 FEET, AND A DRIVEWAY WIDER THAN 20 FEET AT ITS MAXIMUM WIDTH, EXCEPT AS OTHERWISE PROVIDED HEREIN. NO THREE CAR GARAGE HOME MAY HAVE A CURB CUT WIDER THAN 27 FEET WIDE, A DRIVE APPROACH SKIRT WIDER THAN 22 FEET, AND A DRIVEWAY WIDER THAN 30 FEET AT ITS MAXIMUM WIDTH. LOTS 10, 13, 14, 15 AND 18 MAY NOT HAVE A CURB CUT WIDER THAN 35 FEET WIDE, A DRIVE APPROACH SKIRT WIDER THAN 30 FEET WIDE, AND A DRIVEWAY WIDER THAN 30 FEET AT ITS MAXIMUM WIDTH; PROVIDED: (1) THE MAXIMUM CURB CUT WIDTH MUST PROVIDE AT LEAST FIVE LINEAL FEET OF CURB LENGTH BEFORE THE DRIVEWAY CURB CUT FOR EITHER ADJACENT LOT; AND (2) ALL WATER METER, IRRIGATION AND UTILITY BOXES MUST BE LOCATED OUTSIDE ANY CONCRETE AREA AND IF REQUIRED TO BE RELOCATED SHALL BE RELOCATED AT THE BUILDERS OR LOT OWNER'S COST. BUILDER SHALL SUBMIT A PLOT PLAN SHOWING THE TAPERED DRIVEWAY WIDTHS AND LAYOUT ON EACH HOME TO THE CITY, ONCE APPROVED FOR A BUILDING PERMIT, NO FURTHER FRONT YARD CONCRETE MAY BE ADDED. (THIS PROVISION IS SPECIFICALLY FOR THE PURPOSE OF PRESERVING AND PROTECTING THE FRONT YARD STREETSCAPE AND LANDSCAPING PROVISIONS OF THE PDO APPROVAL).
14. THE REAR OF ANY HOME CONSTRUCTED IN THIS SUBDIVISION MUST HAVE, AT THE MINIMUM, INCLUSION OF AT LEAST FOUR OF THE FOLLOWING ARCHITECTURAL DESIGN ELEMENTS:
 - A. SHUTTERS ON REAR WINDOWS
 - B. TRIM AROUND WINDOWS
 - C. TRIM AROUND DOORS IN HARDIE OR STUCCO
 - D. DECKS/PORCHES MADE FROM LONG LASTING AND LOW MAINTENANCE MATERIALS
 - E. WINDOW POP-OUTS
 - F. HOMES IN FULL "HARDIE" BOARD
 - G. CEMENT PATIOS
 - H. OPTIONAL SHAKE SIDING IN THE EAVES
 - I. ADDITIONAL LIGHTING OR UPLIGHTING ON THE HOME
 - J. BAY WINDOWS/BAY DOORS
 - K. DIVERSITY IN ROOF ELEVATIONS
 - L. DIVERSITY IN REAR WALL (AVOIDING "BOX" LOOK)ALL HOMES MUST FEATURE AT LEAST ONE OF ITEMS A, E OR H ON AREA OF THE HOME APPEARING ABOVE THE FENCE LINE SURROUNDING THE HOME.
15. THE PERIMETER, REAR, AND SIDE YARD FENCING MUST BE OF A SOLID-COLORED VINYL FENCE (TAUPE, ALMOND OR TAN PREFERRED).
16. HOMES PLACED ON LOTS 1, 14, 15, 21-22, 25-26, OR 29 MAY NOT BE BUILT WITH SIDE-LOADED DRIVEWAYS.
17. NO DECK MAY ENCROACH MORE THAN SIX FEET INTO ANY REAR YARD SETBACK AREA, NOR BE WIDER THAN 15 FEET IN SUCH ENCROACHED AREA. NO DECK ENCROACHING INTO ANY SETBACK WILL BE PERMITTED TO BE COVERED.
18. ALL PERIMETER FENCING SHALL BE SIGHT-OBSCURING SOLID VINYL EXCEPT IN THE INSTANCE OF THE PERIMETER FENCE BORDERING LUND LANE, WHICH, OTHER THAN THE FENCE BORDERING THE LANDSCAPING BOXES (WHICH MUST BE SOLID FENCING), SHALL BE LATTICE-TOPPED VINYL FENCING. FENCES RUNNING BETWEEN EACH AND ENCIRCLING REAR YARDS MAY BE LATTICE-TOPPED VINYL FENCING.
19. REAR YARD SHEDS, GARAGES OR OUT BUILDINGS ARE LIMITED TO A MAXIMUM SIZE OF 10' BY 10', ONE STORY, AND MUST BE OF A COLOR AND EXTERIOR SIDING OR MATERIAL CONSISTENT WITH THE MAIN BUILDING DWELLING ON THE LOT.
20. ALL COORDINATES SHOWN ARE BASED ON DAVIS COUNTY SURVEYOR'S OFFICE DATUM.
21. NO BUILDING PERMIT FOR ANY LOT WITHIN THE SUBDIVISION SHALL BE ISSUED UNTIL AND UNLESS ALL WET UTILITIES HAVE BEEN INSTALLED AND COMPLETED AND ALL STREETS ARE ROUGH GRADED IN ACCORDANCE WITH APPLICABLE CITY ORDINANCES, INCLUDING THE STORM DRAIN IMPROVEMENTS ALONG LUND LANE, AND UNTIL THE DETENTION BASIN IS INSTALLED, COMPLETED AND FUNCTIONING, AS MORE PARTICULARLY PROVIDED IN SECTION 11 OF THE DEVELOPMENT AGREEMENT AS RECORDED AGAINST THE PROPERTY.
22. NO BUILDING PERMIT FOR ANY LOTS WITHIN THE SUBDIVISION SHALL BE ISSUED UNTIL AND UNLESS THE CITY HAS OBTAINED ALL REQUIRED PERMITS FROM UPRR AND UTA FOR THE CONSTRUCTION OF THE DRAINAGE CULVERT AND NO CERTIFICATE OF OCCUPANCY SHALL BE ISSUED FOR ANY BUILDING WITHIN THE SUBDIVISION UNTIL AND UNLESS THE DRAINAGE CULVERT HAS BEEN INSTALLED, COMPLETED AND IS FUNCTIONING, AS MORE PARTICULARLY PROVIDED IN SECTION 11 OF THE DEVELOPMENT AGREEMENT AS RECORDED AGAINST THE PROPERTY.
23. NO BUILDING PERMIT FOR ANY LOTS WITHIN FLOOD PLAIN ZONE A, SHOWN AS LOTS 2-5, SHALL BE ISSUED UNTIL AND UNLESS THE DETENTION BASIN AND THE DRAINAGE CULVERT HAVE BEEN INSTALLED, COMPLETED AND ARE FUNCTIONING, AND DEVELOPER HAS RECEIVED LOMR APPROVAL AND ALL CONDITIONS OF THE LOMR HAVE BEEN MET, AS MORE PARTICULARLY PROVIDED IN SECTION 11 OF THE DEVELOPMENT AGREEMENT AS RECORDED AGAINST THE PROPERTY.
24. ALL PROPERTY WITHIN THE SUBDIVISION SHALL BE DEVELOPED IN ACCORDANCE WITH THE CITY ORDINANCES, PDO REZONE APPROVAL, FINAL PLAT APPROVAL, AND ALL SUBSEQUENT APPLICABLE FINAL PLANS AND CONSTRUCTION DRAWINGS FOR INDIVIDUAL LOTS WITHIN THE SUBDIVISION. ALL APPLICABLE CITY, STATE AND FEDERAL CONSTRUCTION STANDARDS AND SPECIFICATIONS SHALL BE MET.
25. ALL OWNERS, USERS, LOTS AND DEVELOPMENT WITHIN THE SUBDIVISION SHALL BE SUBJECT TO ALL AGREEMENTS, EASEMENTS, AND RESTRICTIONS GOVERNING THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, THE WOODS PARK PDO DEVELOPMENT AGREEMENT, AS AMENDED, AND THE CENTERVILLE CITY PLANNED DEVELOPMENT OVERLAY ORDINANCES, AS AMENDED.
26. ALL DESIGNATED COMMON AREAS SHALL BE OWNED AND MAINTAINED BY THE HOA AND SHALL BE PROHIBITED FROM FUTURE DEVELOPMENT.
27. RIGHT OF WAY AND EASEMENT IN FAVOR OF UTAH POWER AND LIGHT CO. RECORDED MAY 10, 1943 AS ENTRY NO. 83207 IN BOOK "D" AT PAGE 40. POLE LINE EASEMENT WITH NO WIDTH SPECIFIED. THIS EASEMENT IS TO BE VACATED PRIOR TO ANY BUILDING PERMITS BEING ISSUED WITHIN THIS SUBDIVISION.
28. RIGHT OF WAY AND EASEMENT IN FAVOR OF UTAH POWER AND LIGHT CO. RECORDED FEBRUARY 11, 1948 AS ENTRY NO. 100982 IN BOOK "R" AT PAGE 90. POLE LINE EASEMENT WITH NO WIDTH SPECIFIED. THIS EASEMENT IS TO BE VACATED PRIOR TO ANY BUILDING PERMITS BEING ISSUED WITHIN THIS SUBDIVISION.



**CENTERVILLE
CITY COUNCIL
Staff Backup Report
12/18/2018**

Item No. 3.

Short Title: Public Hearing- Sheffield Downs Final Subdivision Plat

Initiated By: Taylor Spendlove, Applicant for Brighton Development

Scheduled Time: 7:20

SUBJECT

Consider Final Subdivision Plat for Sheffield Downs, a 33-lot single-family subdivision at approximately 274 E. Pages Lane (former Dick's Market site)

RECOMMENDATION

Approve final plat for Sheffield Downs Subdivision located at approximately 274 East Pages Lane, subject to conditions and based on findings in staff report.

BACKGROUND

The approval of this subdivision would conclude an extended process over the past couple of years involving the Planning Commission and City Council to determine an appropriate redevelopment plan for the former Dick's Market site. This planned unit development would consist of 33 single-family homes on 5.6 acres. The Planning Commission unanimously recommended approval. See the attached Staff Transmittal Report for more explanation.

ATTACHMENTS:

Description

- 12-12-18 CC Transmittal Report Sheffield Downs Final Subdivision Plat
- 12-12- 2018 PC Staff Report Sheffield Downs Final Subdivision Plat and Plans
- Sheffield Downs Final Plat Submittal
- Sheffield Downs Traffic Letter Submittal

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

CITY COUNCIL TRANSMITTAL REPORT

PROPERTY OWNER*: DIKA PROPERTIES LLC
MARV BLOSCHE
517 SOUTH 100 EAST
BOUNTIFUL, UT 84010
(mbaproproperties@gmail.com)

* (SHOWN STILL ON COUNTY RECORDS)

APPLICANT: BRIGHTON DEVELOPMENT
TAYLOR SPENDLOVE
215 NORTH REDWOOD RD. SUITE #8
NORTH SALT LAKE, UT 84054
(taylor@buildwithbrighton.com)

PROPERTY: 274 EAST PAGES LANE
○ PARCEL 03-004-0150
○ PARCEL 03-004-0099
○ PARCEL 03-004-0139

ACREAGE: 5.6 ACRES RESIDENTIAL AREA PROPOSAL

CURRENT ZONING: RESIDENTIAL MEDIUM / PLANNED DEVELOPMENT (R-M/PD)

APPLICATION: FINAL SUBDIVISION PLAT

RECOMENDATION: PLANNING COMMISSION RECOMMENDS APPROVAL
WITH CONDITIONS

BACKGROUND

At the December 12, 2018 Planning Commission Meeting, the Commission reviewed the Final Subdivision submittal for Sheffield Downs, a Planned Development, proposed by Brighton Homes. The Commission has forwarded a positive recommendation for final subdivision approval.

To recap, Brighton Homes recently obtained a rezone for a significant eastern portion of the Pages Lane Commercial Area (*aka: Old Dick's Market*) into a Residential Medium Planned Development Overlay, to develop the property for a single-family dwelling subdivision of 33

homes. The project would be developed as a “*planned unit development*” having a private roadway system and a park area as common open space for use by the residents of this new community. Additionally, an existing commercial lot (*not part of the residential development*) will be included in the plat to create a smaller independent lot for the current commercial use.

PLANNING COMMISSION RECOMMENDATION

The Planning Commission unanimously voted to RECOMMEND APPROVAL of the Final Subdivision Plat and Plans for the proposed Sheffield Downs PDO Subdivision, located at approximately 274 E Pages Lane, subject to the following conditions:

1. The Final Plat and submittal shall be corrected/modified to include the following:
 - (a) The Final Plat shall note/depict the applicable “tract perimeter” setbacks for rear and side yards, as required by CZC 12-41-100.i.
 - (b) A title report shall be submitted to prior to Final Plat Acceptance (*paper version*) by the City.
2. The Final Plat and Plan shall be submitted, reviewed, and approved by the Centerville City Council.
3. The Final Plat and Plans (*i.e. paper version*) shall be submitted, reviewed, and deemed acceptable to the City Recorder, City Engineer, and City Attorney, prior to the preparation and submittal of the Final Linen Plat for Subdivision Recordation.
4. As part of the paper plat and plan review by the City, the plat shall be submitted to the City’s Public Works Department for assignment of lot addresses, which shall be depicted on the Final Linen Subdivision Plat.
5. The subdivision improvement plan phasing shall be as follows:
 - (a) Installation of public improvements & detention are subject to the City’s Bonding and Fee Requirements – *CMC 15.07 and 15.08*
 - (b) Installation of basic service utilities (*water, sewer, storm drainage, etc.*) and all-weather surface road shall be required for issuance of any building permits for homes – *CMC 15.05.090*
 - (c) Installation/Completion of Roadways (*Asphalt Surface*) shall be achieved for an issuance of a Certification of Occupancy – *CMC 15.05.090, OR*
 - (d) Installation/Completion of Roadways/Parking adjacent to amenities (park, play structure, pavilion, etc.) shall be completed at 50% development build out (*i.e. 16 lots*) or a City acceptable bond may be submitted for incomplete improvements to obtain additional building permits - *See applicable PDO approval for Common Amenities plan*
 - (e) Installation of Common Amenities (park, play structure, pavilion, etc.) shall be completed at 50% development build out (*i.e. 16 lots*) or a City acceptable bond may be submitted for incomplete improvements to obtain additional building permits - *See applicable PDO approval for Common Amenities plan*
 - (f) Project fencing, where lots are present shall be completed with the issuance of applicable lot’s Certificate of Occupancy – *See applicable PDO approval for fencing plan*

- (g) Project Fencing, where common areas or development boundary is present are to be installed prior to developer's transfer to the Home Owner's Association - *See applicable PDO approval for fencing plan*
6. After recordation of the Subdivision Plat, the developer and associated contractors shall schedule and attend a pre-construction meeting with the City Engineer prior to any commencement of construction activities related to subdivision improvements.

Reasons for Action:

- a) *The Commission finds that the final subdivision plat and plan, as conditioned in this approval, complies with the terms and conditions of Sheffield Downs PDO Zone Map Amendment and associated Conceptual Plan acceptance that was approved in September of 2018, Ordinance No. 2018-20.*
- b) *The Commission finds that the conditions of the final subdivision plat and plan approval render the development consistent with the requirements for final subdivision review and approval, as required by CMC 15-04, Final Plat.*

PLANNING COMMISSION VOTE (6-0)

Commissioner	Yes	No	Not Present
Hayman (Chair)	X		
Hirst			X
Johnson	X		
Daly	X		
Hintze	X		
Wright	X		
Helgesen	X		

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

**STAFF REPORT
AGENDA: ITEM #1**

PROPERTY OWNER*: DIKA PROPERTIES LLC
* (SHOWN STILL ON COUNTY RECORDS)
MARV BLOSCHE
517 SOUTH 100 EAST
BOUNTIFUL, UT 84010
(mbaproproperties@gmail.com)

APPLICANT: BRIGHTON DEVELOPMENT
TAYLOR SPENDLOVE
215 NORTH REDWOOD RD. SUITE #8
NORTH SALT LAKE, UT 84054
(taylor@buildwithbrighton.com)

PROPERTY: 274 EAST PAGES LANE
○ PARCEL 03-004-0150
○ PARCEL 03-004-0099
○ PARCEL 03-004-0139

ACREAGE: 5.6 ACRES RESIDENTIAL AREA PROPOSAL

CURRENT ZONING: RESIDENTIAL MEDIUM / PLANNED DEVELOPMENT
(R-M/PD)

APPLICATION: FINAL SUBDIVISION PLAT

BACKGROUND

Previously at the October 24, 2018 Planning Commission Meeting, the Commission reviewed the Preliminary Subdivision submittal for Sheffield Downs, a Planned Development, proposed by Brighton Homes.

To recap, Brighton Homes recently obtained a rezone for a significant eastern portion of the Pages Lane Commercial Area (*aka: Old Dick's Market*) into a Residential Medium Planned Development Overlay, to develop the property for a single-family dwelling subdivision of 33 homes. The project would be developed as a "*planned unit development*" having a private roadway system and a park area as common open space for use by the residents of this new community. Additionally, an existing commercial lot (*not part of the residential development*) will be included in the plat to create a smaller independent lot for the current commercial use.

PREVIOUS PRELIMINARY SUBDIVISION REVIEW APPROVAL

On October 24, 2018, the Planning Commission approved the subdivision's preliminary plans, as follows:

1. The Final Subdivision Plat shall reflect the design, layout, and all related items as stated in Ordinance 2018-20, Sheffield Downs Planned Development Overlay, as approved by the City Council on September 18th, 2018.
 - a. A note on the Final Plat shall state that the plat is subject to this ordinance *(Completed – noted on plat)*
2. A final subdivision application and plans shall be submitted, within one (1) year, in accordance with the requirements of Title 15, Subdivisions and of Title 12-Zoning Ordinance. *(Completed- submitted on 11-08-2018)*
3. Final utility and construction plans shall be reviewed and approved by the City Engineer, including, *but not limited to*:
 - a. Provide Building, pavement, & demolition plan *(Completed – provided on Sheet C300 of Subdivision Construction Plans)*
 - b. Distinguish which utilities are private and which are public *(Completed – provided on Sheet C600 of Subdivision Construction Plans)*
 - c. Show existing utility or access easements *(Completed – provided on Subdivision Plat Sheet)*
 - d. Provide a cross section for street improvements *(Completed – provided on Sheets C700 through C707 of Subdivision Construction Plans)*
 - e. Show all accesses along the north side of Pages Lane from 400 East to the west entrance to J.A. Taylor Elementary and provide traffic movement study to support locations of new entrances into Subdivision. *(Completed – provided on Sheet C400 of Subdivision Construction Plans and Traffic Letter from Reeves & Associates, Dated November 29, 2018)*
 - f. Provide detention calculations *(Completed – provided on Sheets C500 of Subdivision Construction Plans)*
4. The applicant shall place a note on the Final Plat in reference to any CC&Rs that will be created for the subdivision, including notes that state:
 - a. The use of outside storage of Recreational Vehicles (RVs) for dwellings or in the common space areas for longer than 48 hours shall be prohibited. *(Completed – provided on Subdivision Plat Sheet)*
 - b.
 - c. HOAs shall be responsible for the continuation and maintenance of open space and referenced in the Final Plat notes. *(Completed – provided on Subdivision Plat Sheet)*
 - d. The Applicant shall post a bond for all public improvements, open space, and utilities prior to the recording of Final Plat. The applicant shall submit a phasing plan to be approved by Staff and the Commission, or Open Space amenities shall be installed prior to a certificate of occupancy for any dwelling. *(Ongoing/Undefined – a phasing outline has not been detailed – defaults to CO for dwelling)*

5. A title report shall be submitted to City Staff Prior to Final Plat. (*Incomplete – not submitted*)
6. This subdivision was approved with unique setbacks for perimeter and interior lots, as outlined in their PDO Approval. Front, side, and rear yard setbacks for each lot shall be noted on the plat. (*Partially Complete – Applicable PDO Tract Perimeter Setbacks 20' rear yards and 8' side yards not noted or shown*)

OTHER MATTERS RELATING TO FINAL SUBDIVISION

Construction Drawing Approval – Currently, Kevin Campbell, the City Engineer, is continuing his review of the Subdivision Construction Drawings and in the final stage of his review. As to the plat, most of his comments are related to the survey description and the required associated notes (*11-14-2018 E-mail to applicant*). It appears that the construction documents are in the process of being finalized and preparation of the bond estimate and fee schedule is underway.

Conditions, Covenants, and Restrictions (CC&R's) – Since, the proposal in a planned development of single-family lots with areas of common amenities, the developer will need to prepare and submit their CC&R's to the City Attorney to verify that the documents meet the minimum state requirements. Additionally, the CC&R's will need to address the matters listed in the notes on the Subdivision Plat.

Bonding, Public Infrastructure vs. Private Amenities – Since this project is a “planned development,” it has both public infrastructure, private roadways, and common amenities (park, common landscaping, and boundary fencing) that are required to meet the service and design expectations of the development's PDO approval. Since the applicant's submittal has not provided an improvement phasing plan, staff is recommending the following.

- ✓ Installation of Public Improvements & detention are subject to the City's Bonding and Fee Requirements – *CMC 15.07 and 15.08*
- ✓ Installation of basic utilities (water, sewer, storm drainage, etc.) and all-surface road are required for any issuance of a building permit – *CMC 15.05.090*
- ✓ Installation/Completion of Roadways (*Asphalt Surface*) shall be achieved for an issuance of a Certification of Occupancy – *CMC 15.05.090, OR*
- ✓ Installation/Completion of Roadways/Parking adjacent to amenities (park, play structure, pavilion, etc.) shall be completed at 50% development build out (*16 lots*) or a City acceptable bond may be submitted for incomplete improvements to obtain additional building permits - See *applicable PDO approval for Common Amenities plan*
- ✓ Installation of Common Amenities (park, play structure, pavilion, etc.) shall be completed at 50% development build out (*16 lots*) or a City acceptable bond may be submitted for incomplete improvements to obtain additional building permits - See *applicable PDO approval for Common Amenities plan*
- ✓ Project fencing, where lots are present shall be completed with the issuance of applicable lot's Certificate of Occupancy – See *applicable PDO approval for fencing plan*

- ✓ Project Fencing, where common areas or development boundary is present are to be installed prior to developer's transfer to the Home Owner's Association - *See applicable PDO approval for fencing plan*

PLANNING STAFF RECOMMENDATION

Suggested Motion for the Sheffield Downs Final Subdivision Plat and Construction Drawings

I hereby make a motion for the Planning Commission to RECOMMEND APPROVAL of the Final Subdivision Plat and Plans for the proposed Sheffield Downs PDO Subdivision, located at approximately 274 E Pages Lane, subject to the following conditions:

1. The Final Plat and submittal shall be corrected/modified to include the following:
 - (a) The Final Plat shall note/depict the applicable "tract perimeter" setbacks for rear and side yards, as required by CZC 12-41-100. i.
 - (b) A title report shall be submitted to prior to Final Plat Acceptance (*paper version*) by the City.
2. The Final Plat and Plan shall be submitted, reviewed, and approved by the Centerville City Council.
3. The Final Plat and Plans (*i.e. paper version*) shall be submitted, reviewed, and deemed acceptable to the City Recorder, City Engineer, and City Attorney, prior to the preparation and submittal of the Final Linen Plat for Subdivision Recordation.
4. As part of the paper plat and plan review by the City, the plat shall be submitted to the City's Public Works Department for assignment of lot addresses, which shall be depicted on the Final Linen Subdivision Plat.
5. The subdivision improvement plan phasing shall be as follows:
 - (a) Installation of public improvements & detention are subject to the City's Bonding and Fee Requirements – *CMC 15.07 and 15.08*
 - (b) Installation of basic service utilities (*water, sewer, storm drainage, etc.*) and all-weather surface road shall be required for issuance of any building permits for homes – *CMC 15.05.090*
 - (c) Installation/Completion of Roadways (*Asphalt Surface*) shall be achieved for an issuance of a Certification of Occupancy – *CMC 15.05.090, OR*
 - (d) Installation/Completion of Roadways/Parking adjacent to amenities (park, play structure, pavilion, etc.) shall be completed at 50% development build out (*i.e. 16 lots*) or a City acceptable bond may be submitted for incomplete improvements to obtain additional building permits - *See applicable PDO approval for Common Amenities plan*
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- (g) Project Fencing, where common areas or development boundary is present are to be installed prior to developer's transfer to the Home Owner's Association - *See applicable PDO approval for fencing plan*
- 6. After recordation of the Subdivision Plat, the developer and associated contractors shall schedule and attend a pre-construction meeting with the City Engineer prior to any commencement of construction activities related to subdivision improvements.

Reasons for Action:

- a) *The Commission finds that the final subdivision plat and plan, as conditioned in this approval, complies with the terms and conditions of Sheffield Downs PDO Zone Map Amendment and associated Conceptual Plan acceptance that was approved in September of 2018, Ordinance No. 2018-20.*
- b) *The Commission finds that the conditions of the final subdivision plat and plan approval are render the development consistent with the requirements for final subdivision review and approval, as required by CMC 15-04, Final Plat.*

ENTRY NO. _____ FEE PAID _____
FILED FOR RECORD AND RECORDED THIS _____ DAY OF _____, 20____
AT _____ IN BOOK _____ OF _____
COUNTY RECORDER: _____
BY: _____ CLERK _____



November 29, 2018

Centerville City Engineering Department
250 N Main Street
Centerville, UT 84014
801-295-3447

Project: Sheffield Downs Subdivision
Subject: Trip Generation Analysis Letter

At the request of the developer Brighton Homes, Reeve and Associates has prepared this trip generation letter to determine how much traffic the Sheffield Downs Subdivision will generate and the impact it will have on the surrounding area. The subdivision consists of 33 single family detached dwelling units and a private HOA park and an existing 24,917 sf commercial property. Only the new 33 dwelling units will generate additional traffic. The previous buildings on this parcel consists of a 45,000 s.f. grocery store, 12,500 s.f. theatre, a 12,500 s.f. variety retail store and a 2,400 s.f. nail salon that will remain.

Historical Trip Generation –

Based on the existing land uses of a 45,000 s.f. grocery store, 12,500 s.f. theatre, 12,500 s.f. variety retail store and a 2,400 s.f. nail salon, we are able to calculate the previous trip generation using ITE Trip Generation manuals. Using the associated Land Use Codes (850 for Supermarket) and (814 for Variety Retail Store) the historical trips generated to this site can be found in Table 1 below. Note that the theatre has a different peak hour time, so it is not included in the numbers presented below.

Table 1 – Historical Trip Generation - AM/PM

<i>Peak Hour</i>	<i>Generated Trips/Peak Hour</i>	<i>Trips Entering</i>	<i>Trips Exiting</i>
<i>AM Peak</i>	<i>411</i>	206	206
<i>PM Peak</i>	<i>463</i>	232	232

Proposed Single Family Detached Dwelling Units –

The number of trips generated from the proposed subdivision was determined using ITE's (Institute of Transportation Engineers) 10th Edition Trip Generation Manual for Single-Family Detached Housing (Land Use: 210). For this land use, the trips generated per dwelling unit are 0.76 trips in the AM peak hour and 1.00 trips generated in the PM peak hours.

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Email: ogden@reeve-assoc.com • Website: www.reeve-assoc.com



The proposed development will have 33 dwelling units. The trip generation based on 33 dwelling units is 25 trips per hour during the AM peak hour and 33 trips per hour during the PM peak hour. ITE suggests 26% of the generated traffic will be entering the site and 74% exiting the site during the AM peak hour. ITE suggests 64% of the generated traffic will be entering the site and 36% exiting the site during the PM peak hour. Additionally, the existing 2,400 s.f. nail salon will remain. The trips generated from the nail salon is approx. 3 AM and 5 PM trips.

See Table 2 below for the vehicle trip generation breakdown.

Table 2 – Sheffield Downs Subdivision Trip Generation - AM/PM

<i>Peak Hour</i>	<i>Generated Trips/Peak Hour</i>	<i>Trips Entering</i>	<i>Trips Exiting</i>
<i>AM Peak</i>	28	9	19
<i>PM Peak</i>	38	24	14

By comparing the historical traffic and the newly proposed traffic with this development using ITE, the proposed development produces 10% of the historical traffic volumes. This is a dramatic reduction in traffic. Additionally, this development will be eliminating one of the existing accesses onto Pages Lane, reducing another potential point of conflict.

There are 4 minor accesses in between 300 E and 400 E on the north side of Pages Lane. Each access serves 4 single family dwelling units. Using ITE, each access will have 3 vehicles using those access in the AM and 4 in the PM. Due to the low volume and use, these accesses function as if they are driveways within a subdivision which at times are within 20'-30' of each other.

The majority of the traffic leaving the site and adjacent accesses will be heading west out of the subdivision and heading towards I-15 while vehicles entering the area will be traveling east coming from I-15. Due to the low volume of traffic at each of the existing access points and the major reduction in vehicles into the new subdivision, the traffic conditions should actually improve from the historical conditions.

The attached exhibit shows the project turning movements in and out of the development and adjacent accesses based upon the ITE trip generation results and the projected direction of traffic flow.

Reeve & Associates, Inc.



We hope that the information provided is sufficient to determine that a traffic impact study should not be required for the site and should be permitted. If you have any questions, or we can be of further assistance, please let us know.

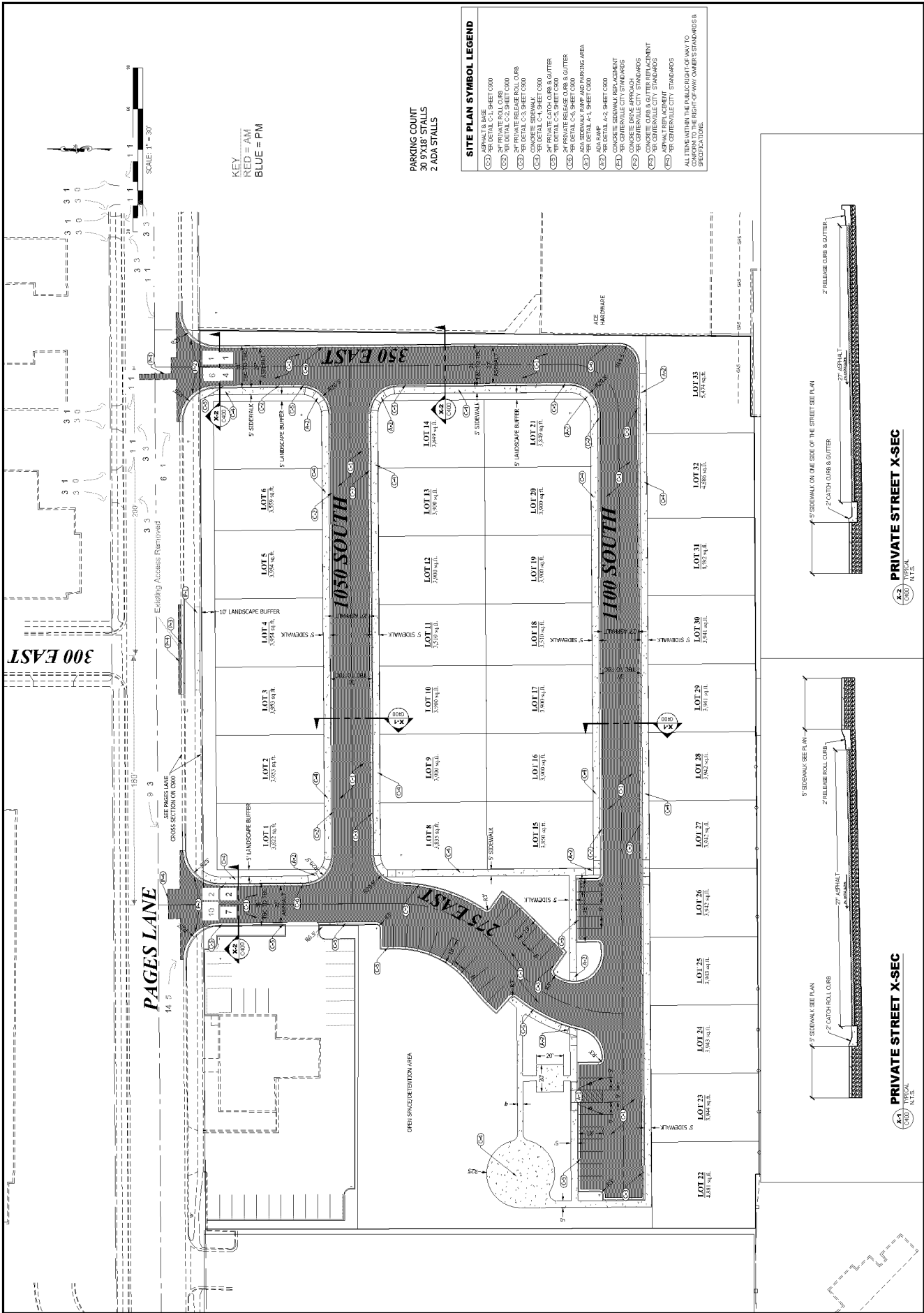
Sincerely,

Thomas Hunt, P.E.
Civil Engineer Manager
Reeve & Associates, Inc.
thunt@reeve-assoc.com

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CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 4.

Short Title: Update re Island View Park Renovation Project Public Open House

Initiated By: City Manager and Parks & Recreation Director

Scheduled Time: 7:40

SUBJECT

RECOMMENDATION

Allow the Parks & Recreation Director, Bruce Cox, to update the Council regarding preparations for the Island View Park Project open house on January 10.

BACKGROUND

The G. Brown Design (GBD) team has been working on preliminary plans for Phase 1 of the Island View Park Project, in consultation with the Parks & Recreation Director. Bruce will explain what is being prepared for the January 10 open house and the design elements that could be influenced by the public. The latest version of the preliminary plan will be attached when it is available.

The City Manager is concerned that Council Members may have varying expectations for the open house, so this is an attempt to align the Council's expectations and what can actually be accomplished by the open house. The notice of the open house in the upcoming newsletter is also written with the intent to give the public a realistic understanding of the extent to which they can influence the design at that point in time. The article is currently drafted as follows:

- On January 10, 2019, from 6 to 8 pm, there will be an open house at City Hall for the public to comment on the design plans for Island View Park Renovation Project Phase I. Centerville City has received a grant to update Island View Park. The grant must be used to fund a conceptual plan prepared earlier by a community focus group and the Parks and Recreation Committee. However, the general public has an opportunity to influence the final design by attending the open house or viewing the preliminary design on the City's website, www.centervilleut.net and submitting comments via email to mwood@centervilleut.com by January 11.

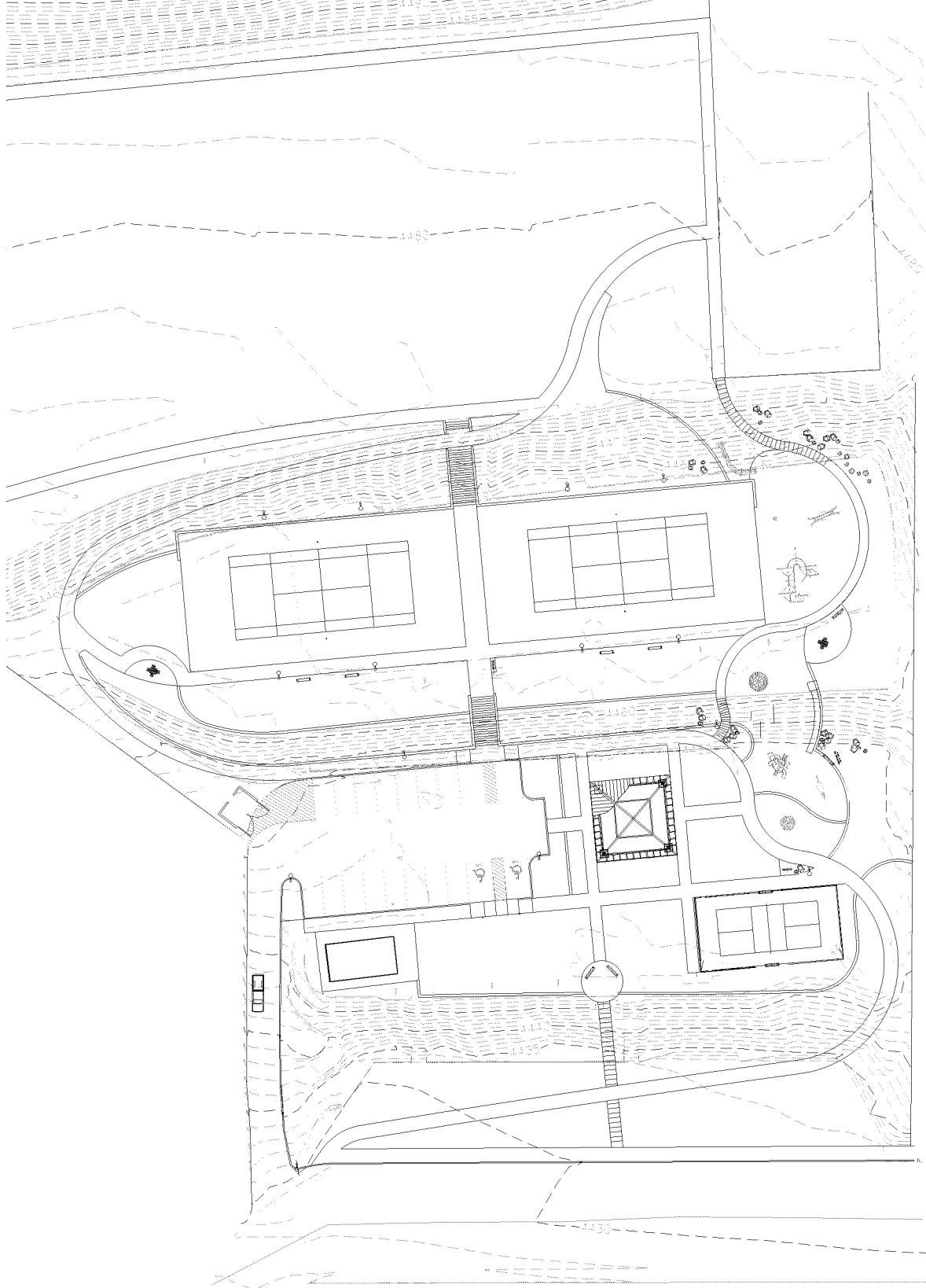
The Council will have opportunity to review and comment on the newsletter draft prior to the Council meeting. That newsletter also includes the parks master plan survey questionnaire.

ATTACHMENTS:

Description

- Proposed Site Plan Island View Park

Island View Park



**CENTERVILLE
CITY COUNCIL
Staff Backup Report
12/18/2018**

Item No. 5.

Short Title: Zoning Code Amendment - Table of Uses and Definitions for Commercial Medium Zone (South Main Street Corridor)

Initiated By: Planning Commission & City Council

Scheduled Time: 7:50

SUBJECT

CONTINUED FROM DECEMBER 4, 2018

Consider the proposed Zoning Code Amendments to CZC 12.21.040 regarding Definitions and CZC 12.36 regarding Table of Uses for uses within the Commercial Medium (C-M) Zone (which is located along Main Street from Parrish Lane to Porter Lane) - Ordinance No. 2018-25

RECOMMENDATION

Approve Ordinance No. 2018-25 amending CZC 12.12.040 regarding Definitions and CZC 12.36 regarding Table of Uses for uses within the Commercial Medium (C-M) Zone.

BACKGROUND

On December 4, 2018, the City Council held a public hearing on the proposed amendments to the Zoning Code and tabled action on the item until the next meeting.

On November 14, 2018, the Planning Commission reviewed and recommended approval of proposed amendments to CZC 12.12.040 regarding Definitions and CZC 12.36 regarding Table of Uses for uses within the Commercial Medium (C-M) Zone. The Planning Commission recommendation comes after a number of meetings and open houses with residents and property owners located near the Main Street commercial area. These prior public meetings are outlined in the attached Staff Transmittal Report for this matter.

In the December 4 meeting, Councilman Ince asked staff to prepare a table showing for the C-M Zone all uses as either permitted, CUP or not permitted and how those would change under this proposed Ordinance. That table is the last attachment below.

ATTACHMENTS:

Description

- 12-4-18 CC Transmittal Staff Report - Table of Uses (C-M Zones)
- Ordinance No. 2018-25 - Table of Uses (C-M)
- 11-14-18 PC Staff Report Text Amendment C-M Table of Use
- Uses Definitions
- Main Street Forum - Property Owners
- Main Street Forum - Local Residents
- Main Street Forum - General Public

▢ Permitted/CUP/Not Permitted Table

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

CITY COUNCIL TRANSMITTAL REPORT

APPLICATION: **ZONING TEXT AMENDMENTS FOR
DEFINITIONS & TABLE OF USES IN C-M ZONE,
CZC 12.12 AND 12.36**

ZONING DISTRICT: **COMMERCIAL- MEDIUM**

STAFF RECOMMENDATION: **SEE TABLE BELOW**

Background

Since February, the Planning and City Council have discussed potential changes to the Main Street district corridor, specifically the area between Parrish and Porter Lane as an area in need of revitalization. As a first step, they agreed to start examining potentially expanding the uses allowed in this zone, which is zoned entirely Commercial-Medium, as a way to open up business possibilities and future tenants to currently vacant or underused properties. Multiple public meetings were held on this issue in order to receive as much public feedback as possible, including meeting with the property owners, adjacent residents, and the general public as a whole.

The Planning Commission narrowed down the list to those below, adding most new uses as a Conditional Use Permit, along with modifying or adding some new definitions to the list of uses.

Public Meetings Held:

September 12th, 2018 -- Property Owners of those located on the Commercial Medium Zone
September 26th, 2018 – Local Residents within a block of Main Street commercial properties
October 12th, 2018 – Open to the General Public
October 24th, 2018 – Public meeting and Commission discussion without hearing

(Please see the notes from these public meetings attached in this packet)

New or Amended definitions: CZC 12.12

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, agricultural, or landscaping purposes. May include renting or selling of landscaping equipment and yard or animal care products.

- *The Planning Commission originally wanted to add “Agricultural Sales and Service, limited” as a new use to the table, but instead decided to amend Garden Center’s definition to expand the possibilities within this use.*

[ADD] Construction Sales and Service, Limited: An establishment engaged in the retail or wholesale of various small materials, supplies, and services used in the construction of buildings or other structures with activities which are conducted within an enclosed building, but not including outdoor storage of large construction equipment or materials yards on lot or parcel other than a construction site. Typical uses include, electrical, plumbing, air conditioning and heating supply stores, swimming pool contract sales and supplies, construction and trade contractors' offices including small equipment and supplies.

See a full list of definitions of all uses included in this list in the Backup Materials in this packet, or refer to CZC 12.12

12.21.080 Zoning Map and Zoning Code Amendments: Approval Standards

1. Whether the proposed Zoning Code or Zoning Map amendment is consistent with goals, objectives and policies of the General Plan;

General Plan, 12-430-2

“Main Street commercial area . The area on Main Street between 400 South (Porter Lane) and 400 North (Parrish Lane) has been regarded as the traditional commercial center of Centerville, though in reality it never became a strong focal point. The Main Street commercial area is old now and somewhat deteriorating, though a few new buildings have been constructed here in recent years. Restoration or revitalization should be encouraged.”

South Main Street Corridor Plan

Goal #1: Promote the South Main Street Corridor as the cultural, civic, and community heart of Centerville by providing a careful balance of land uses, which service residents, businesses, and visitors.

1.A. Preserve the existing mix of land uses along the South Main Street Corridor, recognizing that each District has a different character and different land use needs.

- Staff Response: The C-M Zone from Parrish to Porter is the highest concentration of small, local, commercial activity along Main Street and is somewhat of a local businesses and civic center of the City, while Parrish Lane is the big box, fast food commercial hub of the city. The character of this Main Street is taken into consideration when adding new uses to the Commercial Medium Zone. Staff and the Planning Commission would like to keep this street occupied with local businesses, and have reached out to the property owners as to what their wants and need for this area are and have tailored the list to encourage further small businesses on this street.

1.B. Minimize, to the extent possible, potential conflicts between adjacent land uses.

- By listing the new uses as Conditional Use Permits, potentially adverse conflicts between uses can be minimized by the conditions of the Planning Commission, as outlined in CZC 12.21.100, including traffic circulation, aesthetics, noise and odors that may impact surrounding properties.

1.C. Encourage additional single family and multi-family residential land uses, by way of mixed-use development, throughout the South Main Street Corridor.

- Although the residential uses were not included on this list, a residential mixed-use component is still included in the South Main Street Overlay Zone, as outlined in CZC 12.48.

1.D. Encourage greater intensity in land uses in appropriate areas along the South Main Street Corridor. Examples include mixed use developments, such as a retail use with a housing component above, and greater floor-area-ratios (FAR), such as a two-story building rather than a one-story building of the same footprint.

- While these proposed modifications do not affect the building footprint, FAR, or height of the building, they are encouraging a wider range of uses allowed in this zone. Commercial Medium is *only* located along Main Street from Parrish Lane to Porter Lane, the highest concentration of commercial along Main Street. Expanding the permitted uses to other low impact but commercially viable businesses intends to revitalize this street without adversely affecting surrounding properties as much as possible.

1.E. Incorporate Main Street into the neighborhood planning process for both the east and west side neighborhood plans to allow for consistency and coordination.

- Residents adjacent to the C-M zone were invited to participate in multiple public forums. Residents spoke up about traffic concerns, pedestrian safety, but were ultimately supportive in trying to improve this street by adding new uses that they would find useful and appealing.

Staff Analysis:

The purpose of the Commercial Medium Zone, as defined in 12.30.020, is to “promote a combination of retail and service facilities that meet day to day needs of nearby residents which are compatible in character and scale with adjacent development”. There is also a 10,000 square foot floor area limit to this zone, as well as a height limit of 35 feet. [CZC 12.34.400]

By adding the new uses as Conditional Use Permits, the City can expand the number of services and business to the city residents, while the Planning Commission retains the right to control and limit any negative impacts that may occur with these new uses, including effects on traffic, noise, odor, light, aesthetics, and overall harmony with the surrounding area. [As outlined in 12.21.100(5)(A-J)] These conditions limit the potential negative impact to the surrounding residents and neighbors that any new uses may cause.

The Commission has gathered the opinions of many interested stakeholders – many stated they were interested in improving the look and feel of Main Street, along with the safety and congestion of the street, in addition to adding desirable businesses for the community. Staff believes these amendments to the definitions and Table of Uses in this zone balances the needs of businesses and residents in the community and will encourage a wider variety of uses as well as bringing non-conforming uses into conforming status. Further steps will be needed in the future to possibly amend to South Main Street Overlay for a full revitalization effort.

PLANNING COMMISSION RECOMMENDATION AND MOTION

On November 14th, the Planning Commission made a motion to recommend to the City Council the following amendments to CZC 12.12 “Definitions” and CZC 12.36 “Table of Uses”:

12.12 “Definitions”

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, agricultural, or landscaping purposes. May include renting or selling of landscaping equipment and yard or animal care products.

[ADD] Construction Sales and Service, Limited: An establishment engaged in the retail or wholesale of various small materials, supplies, and services used in the construction of buildings or other structures with activities which are conducted within an enclosed building, but not including outdoor storage of large construction equipment or materials yards on lot or parcel other than a construction site. Typical uses include, electrical, plumbing, air conditioning and heating supply stores, swimming pool contract sales and supplies, construction and trade contractors' offices including small equipment and supplies.

12.36 “Table of Uses”

Use	C-M
Assisted Living Facility	C
Business equipment rental, services and supplies	C
College or university	C
+ Construction Sales and service, <i>limited</i>	C
Indoor Recreation and entertainment	C
Mortuary	C
Outdoor recreation and entertainment	C
Printing, general	C
Protective Service	C
Reception Center	C
Research Service	C
Restaurant, fast food	C
Restaurant, general	C
Secondhand store	P
Shopping Center	C
Veterinary Clinic (<i>added by Staff</i>)	C
Vocational School (<i>added by Staff</i>)	C
Bank or financial institution	P
Cultural service	P

Reasons For Action:

- a) Consistent with General Plan, Commercial and Industrial Development 12-430 and the South Main Street Corridor Plan, 12-480-7
- b) Amendments are consistent with the purpose of the Commercial Medium Zone, 12.30.020(d).

ORDINANCE NO. 2018-25

AN ORDINANCE AMENDING SECTION 12.12.040 OF THE CENTERVILLE ZONING CODE TO ADD A NEW DEFINITION FOR “CONSTRUCTION SALES AND SERVICE, LIMITED” AND TO AMEND THE DEFINITION OF “GARDEN CENTER,” AND AMENDING SECTIONS 12.36.020, 12.36.030, AND 12.36.040 OF THE SAME REGARDING TABLE OF USES FOR USES WITHIN THE COMMERCIAL MEDIUM (C-M) ZONE

WHEREAS, the Planning Commission and City Council requested amendments to the Zoning Code regarding various uses in the Commercial Medium (C-M) Zone located along Main Street between Parrish Lane and Porter Lane; and

WHEREAS, the proposed amendments to the Zoning Code regarding the Table of Uses and the recommendations regarding amendments to certain Definitions in the Zoning Code were reviewed and revised by the Planning Commission with a positive recommendation to the City Council as more particularly set forth herein; and

WHEREAS, City Council has determined that the proposed amendments to the Zoning Code regarding Definitions and Table of Uses are in the best interest of the City and the public to encourage additional uses within the City, particularly within the Main Street commercial area; and

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

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

Section 1. Amendment. Section 12.12.040 of the Centerville Zoning Code regarding Definitions is hereby amended to add a new definition for “Construction Sales and Service, Limited” and to amend the definition of “Garden Center” as more particularly provided as follows:

12.12.040 Definitions

* * *

Construction Sales and Service, Limited: An establishment engaged in the retail or wholesale of various small materials, supplies, and services used in the construction of buildings or other structures with activities which are conducted within an enclosed building, but not including outdoor storage of large construction equipment or materials yards on lot or parcel other than a construction site. Typical uses include, electrical, plumbing, air conditioning and heating supply stores, swimming pool contract sales and supplies, construction and trade contractors' offices including small equipment and supplies.

* * *

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, agricultural, or landscaping purposes. Use may include renting or selling of landscaping equipment and yard or animal care products.

* * *

Section 2. Amendment. Section 12.36.020 of the Centerville Zoning Code regarding Table of Uses for Residential Uses is hereby amended to allow “Assisted Living Facility” as a conditional use in the Commercial-Medium (C-M) Zone as more particularly provided as follows:

12.36.020 Table of Uses for Residential Uses

Legend: "P" - permitted use, "C" - conditional use, "N" - not permitted

Residential Uses	Zones														
	A-L	A-M	R-L	R-M	R-H	PF-L	PF-M	PF-H	PF-VH	C-M	C-H	C-VH	I-M	I-H	I-VH
Assisted Living Facility	N	N	N	C	P	N	C	P	P	CN	N	N	N	N	N

* * *

Section 3. Amendment. Section 12.36.030 of the Centerville Zoning Code regarding Table of Uses for Public and Civic Uses is hereby amended to change certain uses in the Commercial-Medium (C-M) Zone as more particularly provided as follows:

12.36.030 Table of Uses for Public and Civic Uses

Legend: "P" - permitted use, "C" - conditional use, "N" - not permitted

Public and Civic Uses	Zones														
	A-L	A-M	R-L	R-M	R-H	PF-L	PF-M	PF-H	PF-VH	C-M	C-H	C-VH	I-M	I-H	I-VH
College or university	N	N	N	N	N	N	C	P	P	CN	N	N	N	N	N
Cultural service	N	N	N	N	N	C	P	P	P	PC	P	P	N	N	N

Protective service	N	N	N	N	N	C	P	P	P	CN	C	P	N	N	N
Reception center	N	N	N	N	N	N	C	P	P	CN	C	P	N	C	N
School, vocational	N	N	N	N	N	C	C	P	P	CN	P	P	P	P	P

* * *

Section 4. Amendment. Section 12.36.040 of the Centerville Zoning Code regarding Table of Uses for Commercial Uses is hereby amended to change certain uses in the Commercial-Medium (C-M) Zone as more particularly provided as follows:

12.36.040 Table of Uses for Commercial Uses

Legend: "P" - permitted use, "C" - conditional use, "N" - not permitted

Commercial Uses	Zones														
	A-L	A-M	R-L	R-M	R-H	PF-L	PF-M	PF-H	PF-VH	C-M	C-H	C-VH	I-M	I-H	I-VH
Bank or financial institution	N	N	N	N	N	N	N	N	N	PC	P	P	P	P	P
Business equipment rental, services, and supplies	N	N	N	N	N	N	N	N	N	CN	P	N	P	P	P
Construction sales and services, limited	N	N	N	N	N	N	N	N	N	C	N	N	N	N	N
Mortuary	N	N	N	N	N	N	N	N	N	CN	P	P	N	N	N
Printing, general	N	N	N	N	N	N	N	N	N	CN	N	N	P	P	P
Recreation and entertainment, indoor	N	N	N	N	N	N	N	N	N	CN	P	P	N	P	N
Recreation and entertainment, outdoor	N	N	N	N	N	C	C	C	C	CN	C	C	N	N	N
Research service	N	N	N	N	N	N	N	N	N	CN	P	C	P	P	P
Restaurant, fast-food	N	N	N	N	N	N	N	N	N	CN	C	C	N	N	N
Restaurant, general	N	N	N	N	N	N	N	N	N	CN	P	P	N	N	N

Secondhand store	N	N	N	N	N	N	N	N	N	PN	P	C	P	P	P
Shopping center	N	N	N	N	N	N	N	N	N	CN	C	C	N	N	N
Veterinary service	C	P	N	N	N	N	N	N	N	CN	C	C	N	P	P

* * *

Section 5. 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 6. 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 7. 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, ON THIS 4th DAY OF DECEMBER, 2018.

ATTEST:

CENTERVILLE CITY

Mackenzie Wood, City Recorder

By: _____
Mayor Clark A. Wilkinson

Voting by the City Council:

	“AYE”	“NAY”
Councilmember Fillmore	_____	_____
Councilmember Ince	_____	_____
Councilmember Ivie	_____	_____
Councilmember McEwan	_____	_____
Councilmember Mecham	_____	_____

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the U.C.A. § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing ordinance was duly passed by the City Council and published, or posted at: (1) 250 North Main; (2) 655 North 1250 West; and (3) RB's Gas Station, on the foregoing referenced dates.

MACKENZIE WOOD, City Recorder

DATE: _____

RECORDED this ____ day of _____, 2018.

PUBLISHED OR POSTED this ____ of _____, 2018.

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

**STAFF REPORT
AGENDA: ITEM 3**

APPLICATION: **ZONING TEXT AMENDMENTS FOR
DEFINITIONS & TABLE OF USES IN C-M ZONE,
CZC 12.12 AND 12.36**

ZONING DISTRICT: **COMMERCIAL- MEDIUM**

STAFF RECOMMENDATION: **SEE TABLE BELOW**

Background

Since February, the Planning and City Council have discussed potential changes to the Main Street district corridor, specifically the area between Parrish and Porter Lane as an area in need of revitalization. As a first step, they agreed to start examining potentially expanding the uses allowed in this zone, which is zoned entirely Commercial-Medium, as a way to open up business possibilities and future tenants to currently vacant or underused properties. Multiple public meetings were held on this issue in order to receive as much public feedback as possible, including meeting with the property owners, adjacent residents, and the general public as a whole.

The Planning Commission narrowed down the list to those below, adding most new uses as a Conditional Use Permit, along with modifying or adding some new definitions to the list of uses.

Public Meetings Held:

September 12th, 2018 -- Property Owners of those located on the Commercial Medium Zone
September 26th, 2018 – Local Residents to those that abut Main Street properties
October 12th, 2018 – Open to the General Public
October 24th, 2018 – Public meeting and Commission discussion without hearing

New or Amended definitions: CZC 12.12

Agricultural Sales and Service: An establishment primarily engaged in the sale or rental of farm tools and implements, feed and grain, tack, animal care products, anhydrous ammonia, farm supplies and the like, and including accessory food sales and machinery repair services.

Instead of adding an “Agricultural, Sales and Service, limited” similar to what Staff proposed for Construction Sales and Service, Staff decided to simply add onto the definition for “Garden Center” to include agricultural products, so as to not to overlap use definitions. Outdoor Nursery/ Growers Outlet also is defined in our code and a Conditional Use Permit in the C-M Zone.

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, agricultural, or landscaping purposes. May include renting or selling of landscaping equipment and yard or animal care products.

Construction Sales and Service: An establishment engaged in the retail or wholesale sale of materials and services used in the construction of buildings or other structures, as well as the outdoor storage of construction equipment or materials on lot or parcel other than a construction site. Typical uses include lumber yards, home improvement centers, lawn and garden supply stores, construction equipment sales and rental, electrical, plumbing, air conditioning and heating supply stores, swimming pool sales, construction and trade contractors' offices and storage yards, and public utility corporation storage yards.

[ADD] Construction Sales and Service, Limited: An establishment engaged in the retail or wholesale of various small materials, supplies, and services used in the construction of buildings or other structures with activities which are conducted within an enclosed building, but not including outdoor storage of large construction equipment or materials yards on lot or parcel other than a construction site. Typical uses include, electrical, plumbing, air conditioning and heating supply stores, swimming pool contract sales and supplies, construction and trade contractors' offices including small equipment and supplies.

See a full list of definitions of all uses included in this list in the Backup Materials in this packet, or refer to CZC 12.12

Commission proposed Amendments to the Table of Uses in the Commercial Medium Zone, CZC 12.36:

Use	Current	Proposed
Agricultural sales and service	N	N
Assisted Living Facility	N	C
Business equipment rental, services and entertainment	N	C
Car wash	N	C
College or university	N	C
Construction Sales and service	N	N
+ Construction Sales and service, <i>limited</i>	N/A	C
Garden Center (amended)	C	C
Indoor Recreation and entertainment	N	C
Mortuary	N	C
Outdoor recreation and entertainment	N	C
Park	N	N
Printing, general	N	C
Protective Service	N	C
Reception Center	N	C
Research Service	N	C
Restaurant, fast food*	N	C
Restaurant, general	N	C
School, elementary, middle or high	N	N
Secondhand store	N	P
Shopping Center	N	C
Veterinary Clinic (<i>added by Staff</i>)	N	C
Vocational School (<i>added by Staff</i>)	N	C
Catering, limited	C	C
Bank or financial institution*	C	P
Bed & Breakfast	C	C
Cultural service	C	P
Church or place of worship	C	C

**No drive thrus shall be allowed for these uses in the C-M Zone*

Park, elementary, middle and high school, as well as colleges and universities are all exclusively permitted in Public Facility Zones, so in order to maintain consistency within our code, Staff

would recommend for these uses remain Public Facility only, with the exception of college or university. Since many colleges are more frequently hosting smaller off campus classrooms, staff believes there could be value to adding this use within a Commercial zone, so as to not have to rezone an entire parcel into Public Facility. For this reason staff has added vocational schools onto the list, which is a permitted use in every other Commercial, Industrial and Public Facility Zones.

Veterinary Clinic is another existing use that is currently not permitted in in the C-M Zone. Medical clinics, offices, and dental offices already are prevalent on this street, making veterinary clinic a good fit for this district.

12.21.080 Zoning Map and Zoning Code Amendments: Approval Standards

1. Whether the proposed Zoning Code or Zoning Map amendment is consistent with goals, objectives and policies of the General Plan;

General Plan, 12-430-2

Main Street commercial area . The area on Main Street between 400 South (Porter Lane) and 400 North (Parrish Lane) has been regarded as the traditional commercial center of Centerville, though in reality it never became a strong focal point. The Main Street commercial area is old now and somewhat deteriorating, though a few new buildings have been constructed here in recent years. Restoration or revitalization should be encouraged.

South Main Street Corridor Plan

Goal #1: Promote the South Main Street Corridor as the cultural, civic, and community heart of Centerville by providing a careful balance of land uses, which service residents, businesses, and visitors.

- 1.A. Preserve the existing mix of land uses along the South Main Street Corridor, recognizing that each District has a different character and different land use needs.
 - The C-M Zone from Parrish to Porter is the highest concentration of small, local, commercial activity along Main Street and is somewhat of a local businesses and civic center of the City, while Parrish Lane is the big box, fast food commercial hub of the city. The character of this Main Street is taken into consideration when adding new uses to the Commercial Medium Zone. Staff and the Planning Commission would like to keep this street occupied with local businesses, and have reached out to the property owners as to what their wants and need for this area are and have tailored the list to encourage further small businesses on this street.
- 1.B. Minimize, to the extent possible, potential conflicts between adjacent land uses.

- By listing the new uses as Conditional Use Permits, potentially adverse conflicts between uses can be minimized by the conditions of the Planning Commission, as outlined in CZC 12.21.100, including traffic circulation, aesthetics, noise and odors that may impact surrounding properties.

1.C. Encourage additional single family and multi-family residential land uses, by way of mixed-use development, throughout the South Main Street Corridor.

- Although the residential uses were not included on this list, a residential mixed-use component is still included in the South Main Street Overlay Zone, as outlined in CZC 12.48.

1.D. Encourage greater intensity in land uses in appropriate areas along the South Main Street Corridor. Examples include mixed use developments, such as a retail use with a housing component above, and greater floor-area-ratios (FAR), such as a two-story building rather than a one-story building of the same footprint.

- While these proposed modifications do not affect the building footprint, FAR, or height of the building, they are encouraging a wider range of uses allowed in this zone. Commercial Medium is *only* located along Main Street from Parrish Lane to Porter Lane, the highest concentration of commercial along Main Street. Expanding the permitted uses to other low impact but commercially viable businesses intends to revitalize this street without adversely affecting surrounding properties as much as possible.

1.E. Incorporate Main Street into the neighborhood planning process for both the east and west side neighborhood plans to allow for consistency and coordination.

- Residents adjacent to the C-M zone were invited to participate in multiple public forums. Residents spoke up about traffic concerns, pedestrian safety, but were ultimately supportive in trying to improve this street by adding new uses that they would find useful and appealing.

Staff Response:

The purpose of the Commercial Medium Zone, as defined in 12.30.020, is to “promote a combination of retail and service facilities that meet day to day needs of nearby residents which are compatible in character and scale with adjacent development”. There is also a 10,000 square foot floor area limit to this zone, as well as a height limit of 35 feet. [CZC 12.34.400]

By adding the new uses as Conditional Use Permits, the City can expand the number of services and business to the city residents, while the Planning Commission retains the right to control and limit any negative impacts that may occur with these new uses, including effects on traffic, noise, odor, light, aesthetics, and overall harmony with the surrounding area. [As outlined in 12.21.100(5)(A-J)] These conditions limit the potential negative impact to the surrounding residents and neighbors that any new uses may cause.

The purpose behind limiting drive thrus on Main Street is the high traffic flow of this corridor at 40 mph speeds. Drive thrus have the effect of limiting flow traffic through a site, and can cause congestion problems that spill onto the street. Also, the Commission's overall goals for this zone are to improve the pedestrian experience and site design of these buildings, of which drive thrus do not contribute to these goals.

The Commission has gathered the opinions of many interested stakeholders – many stated they were interested in improving the look and feel of Main Street, along with the safety and congestion of the street, in addition to adding desirable businesses for the community. Staff believes these amendments to the definitions and Table of Uses in this zone balances the needs of businesses and residents in the community and will encourage a wider variety of uses as well as bringing non-conforming uses into conforming status. Further steps will be needed in the future to possibly amend to South Main Street Overlay for a full revitalization effort.

STAFF RECOMMENDATION AND MOTION

I hereby make a motion to recommend to the City Council was the following amendments to CZC 12.12 “Definitions” and CZC 12.36 “Table of Uses”:

12.12 “Definitions”

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental, agricultural, or landscaping purposes. May include renting or selling of landscaping equipment and yard or animal care products.

[ADD] Construction Sales and Service, Limited: An establishment engaged in the retail or wholesale of various small materials, supplies, and services used in the construction of buildings or other structures with activities which are conducted within an enclosed building, but not including outdoor storage of large construction equipment or materials yards on lot or parcel other than a construction site. Typical uses include, electrical, plumbing, air conditioning and heating supply stores, swimming pool contract sales and supplies, construction and trade contractors' offices including small equipment and supplies.

12.36 “Table of Uses”

Use	C-M
Agricultural sales and service	N
Assisted Living Facility	C
Business equipment rental, services and entertainment	C
Car wash	C
College or university	C
Construction Sales and service	N
+ Construction Sales and service, <i>limited</i>	C
Garden Center (amended)	C

Indoor Recreation and entertainment	C
Mortuary	C
Outdoor recreation and entertainment	C
Park	N
Printing, general	C
Protective Service	C
Reception Center	C
Research Service	C
Restaurant, fast food*	C
Restaurant, general	C
School, elementary, middle or high	N
Secondhand store	P
Shopping Center	C
Veterinary Clinic <i>(added by Staff)</i>	C
Vocational School <i>(added by Staff)</i>	C
Catering, limited	C
Bank or financial institution*	P
Bed & Breakfast	C
Cultural service	P
Church or place of worship	C

**No drive thrus shall be allowed for these uses in the C-M Zone*

Reasons For Action:

- a) Consistent with General Plan, Commercial and Industrial Development 12-430 and the South Main Street Corridor Plan, 12-480-7
- b) Amendments are consistent with the purpose of the Commercial Medium Zone, 12.30.020(d).

Agricultural Sales and Service: An establishment primarily engaged in the sale or rental of farm tools and implements, feed and grain, tack, animal care products, anhydrous ammonia, farm supplies and the like, and including accessory food sales and machinery repair services.

Assisted Living Facility: A residential facility, licensed by the State of Utah, with a home-like setting that provides an array of coordinated supportive personal and health care services, available 24 hours per day, to residents who have been assessed under Utah Department of Health or the Utah Department of Human Services rules to need any of these services and who have a service plan based on the assessment, which may include: (1) specified services of intermittent nursing care; (2) administration of medication; and (3) support services promoting residents' independence and self-sufficiency. An assisted living facility does not include adult day care provided in conjunction with a residential facility for elderly persons or a residential facility for persons with a disability.

Auditorium or Stadium: An open, partially enclosed or fully enclosed facility used or intended to be used primarily for spectator sports, entertainment events, expositions and other public gatherings. Typical uses include convention and exhibition halls, sports arenas and amphitheaters

Bank or Financial Institution: An organization involved in deposit banking, finance, investment, mortgages, trusts, and the like. Typical uses include commercial banks, credit unions, finance companies, and savings institutions.

Bed and Breakfast: A limited commercial activity where paying guests:

1. Obtain lodging on a day-to-day basis in a room or rooms without cooking facilities,
2. May obtain breakfast or other meals, and
3. May engage in other limited related activities

Business Equipment Rental, Services, and Supplies: An establishment primarily engaged in the display, storage, sale, rental or repair of equipment and supplies used by office, professional or business service establishments, or individuals. Excludes automotive, construction and farm equipment. Typical uses include office equipment and supply firms, small business machine repair shops and hotel equipment and supply firms.

Car Wash: A place for the cleaning or detailing of motor vehicles, whether self-service, automatic or by hand.

Catering, Limited: An establishment in which the principal use is the preparation of food and meals on the premises, and where such food and meals are delivered to another location for consumption with a limited number of catering transport vehicles. Includes catering for food for single event-based food services and contractual agreements for a specified period of time. This use does NOT include mobile food trucks or carts, or any other mobile food service uses. This use is intended to be a low-intensity use permissible in commercial areas commonly located adjacent to residential uses and shall prohibit the off-site dissemination of any detectable ambient food-source odors.

Cemetery: Land used or intended to be used for the burial of the dead, whether human or animal, including crematoriums and mausoleums.

Church or Place of Worship: Any structure or site such as a church, synagogue, chapel, sanctuary or cathedral, used primarily for collective or individual involvement with a religious activity, such as rites, rituals, ceremonies, prayers and discussions, and for church-related activities.

College or University: An institution of higher education offering undergraduate or graduate degrees and including, but not limited to, extension services and accessory uses such as dormitories, museums, stadiums, and theaters.

Construction Sales and Service: An establishment engaged in the retail or wholesale sale of materials and services used in the construction of buildings or other structures, as well as the outdoor storage of construction equipment or materials on lot or parcel other than a construction site. Typical uses include lumber yards, home improvement centers, lawn and garden supply stores, construction equipment sales and rental, electrical, plumbing, air conditioning and heating supply stores, swimming pool sales, construction and trade contractors' offices and storage yards, and public utility corporation storage yards.

Cultural Service: A library, museum or similar public or registered nonprofit organizational use displaying, preserving, and exhibiting objects of community and cultural interest in one or more of the arts and sciences.

Garden Center: An establishment primarily engaged in the retail sales of horticultural specialties, such as flowers, shrubs and trees, intended for ornamental or landscaping purposes.

Hotel: An establishment with or without fixed cooking facilities in individual rooms offering transient lodging accommodations to the general public, and which may provide additional services such as restaurants and meeting rooms.

Indoor Recreation and Entertainment: An establishment offering recreation, entertainment or games of skill to the general public that is wholly enclosed in a building. Typical uses include bowling alleys, indoor theaters, bingo parlors, pool halls, billiard parlors, video game arcades, racquetball and handball courts, and amusement rides.

Mortuary: An establishment engaged in preparing human deceased for burial and conducting funerals.

Multiple-Family Dwelling: A dwelling having three or more dwelling units.

Outdoor Recreation and Entertainment: An establishment offering recreation, entertainment or games of skill to the general public or members wherein any portion of the activity takes place in the open. Typical uses include archery ranges, batting cages, golf driving ranges, drive-in theaters, miniature golf courses, tennis courts, and amusement rides.

Outdoor Nursery/Grower's Outlet: An establishment or premises where nursery products, such as flowers, shrubs, and trees, intended for ornamental or landscaping purposes, are sold at retail to the general public from covered or open air areas on a temporary or seasonal basis.

Park: A playground or other area or open space providing opportunities for active or passive recreational or leisure activities.

Post Office: A facility or structure owned by the U.S. Postal Service and used for collecting, sorting or distributing mail within one or more zip code areas, or providing limited retail services for the general public, such as the sale of stamps, postcards and postal insurance.

Printing, General: The production of books, magazines, newspapers and other printed matter, as well as publishing, engraving and photoengraving, but excluding Printing and Copying, Limited uses.

Protective Service: A facility for conduct of public safety and emergency services, including fire and police protection services and emergency medical and ambulance services.

Reception Center: A facility rented for private social gatherings.

Research Service: An establishment engaged in industrial, medical, or scientific inquiries.

Restaurant, Fast-food: An establishment that sells ready-to-eat food and beverages quickly and which has one or more of the following characteristics:

1. Food and beverage orders are not taken at the customer's table;
2. Food and beverages are generally served in disposable wrapping or containers; or
3. Food and beverages are offered directly to the customer in a motor vehicle from a "drive-up" service window.

Restaurant, General: An establishment that derives not less than 50% of its gross receipts from the sale of food and beverages for consumption on the premises and which has one or more of the following characteristics:

1. Food and beverage orders are taken at the customer's table from an individually-provided menu;
2. Food and beverages are served in non-disposable containers by a restaurant employee at the same table or counter where said items are consumed;
3. Food and beverages are generally self-served in non-disposable containers and consumed on the premises; or
4. A restaurant having some characteristics of a fast-food restaurant, other than drive-up service, which is located exclusively within a shopping center, shares common parking facilities with other businesses within the center, and has access to a common interior pedestrian access way.

School, Elementary, Middle, or High: Any building or group of buildings or premises approved by the State of Utah for public or private elementary or secondary instruction.

School, Vocational: An establishment, for profit or not, offering regularly scheduled instruction in technical, commercial or trade skills, including but not limited to business, real estate, building and construction trades, electronics, computer programming and technology, automotive and aircraft mechanics and technology, and similar types of instruction.

Secondhand Store: A retail establishment that engages in the purchase and resale of used goods such as clothing, furniture, appliances, books, and other household items.

Shopping Center: A group of three or more commercial establishments that is planned, developed, and managed as a unit with common areas for off-street parking and landscaping provided on the property.

Single-Family Dwelling : A building having only one dwelling unit.

Twinhome: Two single-family dwelling units connected by a common wall and located on adjacent, contiguous, and individually owned lots or parcels.

Two-Family Dwelling: A dwelling having only two dwelling units.

Veterinary Service: An establishment providing medical care and treatment for animals, which may include accessory grooming or boarding services.

MAIN STREET USE FORUM

Property Owners Invite

09/12/2018 | 6:00 p.m. at *City Hall*

Planning Commissioners Attending

Chair Hayman | Kevin Daly | Gina Hirst | Kathy Helgeson

#	Comment	Category
1	Issues Involving Consistency	Long Range Commitment
2	Residential Status Questions	Housing
3	Concerns with diminishing uses, specifically mixed-use	Long Range/ Housing
4	Where does mixed-use fit in?	Expansion/ Housing
5	Potential lack of trust	Long Range Commitment
6	Creating potential options for façade upgrades, but with constraints	Design/ Layout
7	Don'ts are in place. Where are the do's	Design/ Layout
8	Making a Living Matters – Allow Market Patterns	Economic Needs
9	What are the historic uses – e.g. Construction, fuel/gas stations, City Hall, missed opportunity for the Library	Community Identity
10	May NOT be retail – But it's a local business area	Economic
11	What to Do (use) verse What to Design (buildings)	Design/ Layout
12	Substantial conversion of buildings may NOT be feasible	Economic
13	Limitation of Old Fire Station/ No remodel beyond 30% Expansion	Design/ Layout
14	Create considerations for existing buildings/ layouts	Design/ Layout
15	Parking to the rear may create increased traffic near residential uses	Design/ Layout
16	What are the incentives to upgrade – Are they equitable?	Design/ Layout

MAIN STREET USE FORUM

Local Residents Invite

09/26/2018 | 6:00 p.m. at *City Hall*

Planning Commissioners Attending

Chair Hayman | Kevin Daly | Gina Hirst | Kathy Helgeson | Kia Hintze | Becki Wright

#	Comment	Category
1	Things can and should be improved (e.g. Old Williams Barn)	Long Range Commitment
2	Not in favor of high-density residential (e.g. SLC Apartments)	Housing
3	Centerville is a commuter City – like the country feel of the city	Community Identity
4	Parrish Lane is likely the City's Main Street (1970s Parrish Interchange)	Community Identity
5	No gas stations, theater, car wash – issues regarding Cup-Bop	Economic
6	Youth need to feel safe – need a local place to go instead of Ogden/SLC	Community Identity
7	Maybe small restaurant or satellite education uses – Nothing illegal/immoral	Community Identity
8	Residents & businesses need to compromise – a unified outcome	Economic Needs
9	Business hours of use need to respect surrounding residents	Community Identity
10	How much do we desire to bring people to the city?	Community Identity
11	Local businesses may or may not need to rely on new traffic for achieving success	Economic Needs
12		

MAIN STREET USE FORUM

General Public Invite

10/12/2018 | 6:00 p.m. at *City Hall*

Planning Commissioners Attending

Chair Hayman | Kevin Daly | Gina Hirst | Kathy Helgeson | Kia Hintze | Logan Johnson | Becky Wright

#	Comment	Category
1	Are there future plans for redeveloping Main Street	Long Range Commitment
2	How do you blend the historical pattern of residential & local commercial	Community Identity
3	Tourism/Group Tours like the small town feel – like the people of the community	Community Identity
4	Main Street has good access, there is local beauty, things are pretty good already	Community Identity
5	Three principles; How do they feel, What do they see, and blending local appeal with commercial success	Community Identity & Economic Needs
6	We love Centerville – but need to develop or maintain it's quaintness.	Community Identity
7	Main should not be like Parrish – ability to walk should be important	Land Use & Design Patterns
8	Main Street can get congested – specifically for left hand turn movements	Transportation
9	Better manage traffic flow and vehicle spacing	Transportation
10	Main Street needs to be more walkable and safer	Transportation

11	Main Street needs wider sidewalks (think Strollers) and eliminate goat head weeds.	Transportation
12	Main Street is an elephant – how do you tackle future changes	Long Range Commitment
13	Are there other places to use as examples?	Long Range Commitment
14	Uses that demand parking could be a problem	Transportation
15	Uses should be in context with the traffic flow and speeds – sidewalk style restaurants may not be appropriate	Transportation
16	The higher the speed the less town feel is present – keep speeds less than 40 mph – more like 30 to 35 mph.	Transportation
17	Keep in mind the needs of the local youth – local jobs, closer to get to work	Economic Needs
18	A pleasing streetscape will improve the look of Main Street and help commercial be successful	Land Use & Design Patterns

Uses in the Commercial Medium Zone

Commercial Uses

Permitted	Conditional Use	Not Permitted
Child Care Center	Bank or financial institution	Agricultural sales and service
Convalescent care facility	Bed and breakfast	Bail bond service
Laundry or dry cleaning, limited		Business and equipment rental services, and supplies
Media service	Convenient Store	Car wash
Medical or dental laboratory	Catering, Limited	Catering, General
Medical service	Garden Center	Construction sales and service
Office, general	Outdoor nursery/ Grower's Outlet	Gas and fuel, storage and sales
Personal care service	Produce Stand	Gasoline service station
Personal instruction service	Repair	Hotel
Printing and copying, limited		Kennel
Retail, general,		Liquor store
Retail, specialty		Media service
		Mortuary
		Motel
		Parking garage
		Pawnshop
		Printing, general
		Recreation and entertainment, indoor
		Recreation and entertainment, outdoor
		Recreational Vehicle Park
		Research service
		Restaurant, fast food
		Restaurant, general
		Secondhand store
		Tattoo establishment
		Tavern
		Temporary trailer
		Towing and Impound yard
		Transportation service
		Vehicle and equipment rental or sale
		Vehicle rental or sale, new, limited,
		Vehicle repair, limited
		Veterinary service
		Warehouse, self service, storage

Uses in the Commercial Medium Zone

Public and Civic Uses

Permitted	Conditional Use	Not Permitted
Club or service organization	Church or place of worship	Bus terminal
Government service	Cultural service	Cemetery
Utility, Minor	Public utility substation	Club, private
		College or university
		Correctional facility
		Golf course
		Hospital
		Operations center
		Park
		Post office
		Protective Service
		Reception center
		School, elementary, middle of high
		School, vocational
		Stable, public
		Tobacco, Specialty Retail
		Utility, major

Residential Uses

Permitted	Conditional Use	Not Permitted
		Assisted living facility
	Building, accessory	Boarding house
		Dwelling, basement
		Dwelling, earth sheltered
		Dwelling, multiple family
		Dwelling, single family
		Dwelling, single family with accessory apartment
		Dwelling, temporary
		Flat lot subdivision Development
		Guest house
		Manufactured home
		Manufactured and mobile home park
		Protective service facility
		Rehabilitation / Treatment facility
		Transitional housing facility
		Twin home

Uses in the Commercial Medium Zone

Agricultural Uses

Permitted	Conditional Use	Not Permitted
		Agricultural Business
		Agricultural industry
		Agricultural processing
		Agriculture
		Animal and fowl for recreation and family good production
		Animal specialties
		Stable, private

Industrial Uses

Permitted	Conditional Use	Not Permitted
		Automobile wrecking yard
		Freight terminal
		Heavy industry
		Junk or salvage yard
		Laundry services
		Manufacturing, general
		Manufacturing, limited
		Mineral extraction
		Self storage facilities, indoor
		Wholesale and warehousing, general
		Wholesale and warehousing, limited

Highlighted Uses are those proposed by the Planning Commission to be changed

Do you have QUESTIONS on what some of the Definitions of these Uses are?? Visit the LINK below.

https://centerville.municipalcodeonline.com/book?type=zoning#name=12.12_Definitions

**CENTERVILLE
CITY COUNCIL
Staff Backup Report
12/18/2018**

Item No. 6.

Short Title: Discussion of Proposed Amendments to SMSC Overlay Zone

Initiated By: City Council

Scheduled Time: 8:20

SUBJECT

Discussion of proposed amendments to South Main Street Corridor Overlay Zone regarding building setbacks and side yard distance between buildings.

RECOMMENDATION

BACKGROUND

At the last City Council meeting on December 4, 2018, the City Council directed Staff to bring back proposed ordinance amendments to the SMSC Overlay Zone regarding building setbacks and side yard distance between buildings. Staff has prepared the attached proposed draft language for Council consideration. This matter is on the agenda for discussion only as the amendments will need to be referred to the Planning Commission for review and comment with a public hearing in accordance with State law prior to final Council consideration.

The edits propose the following changes to the SMSC Ordinances:

[Amendment #1]

CZC 12.48.100 General Development Standards

“(16) Side areas that exceed 15 feet in width shall not be located to another side area that exceeds 15 feet in width unless the areas are used as a unified public gathering area or courtyard, or other non-turf landscaping elements (e.g. garden plots, tree groves, flower beds, etc.), and/or design features (accent walls, fencing, sculptures/public art, etc.) that is approved by the City.”

[Amendment #2] – Change the “Civic Lot” Type Setbacks range from “15 to 25 feet” to “30 to 50 Feet”

- CZC 12.48.340 Lot Size Dimension Requirements for Civic/Cultural Lot (change range listed)
- See CZC 12.48.350 Lot Type Illustrations - (see attachment for Lot Type Illustration edits)

ATTACHMENTS:

Description

- CZC 12.48.100 - proposed amendments
- CZC 12.48.340 - proposed amendments

▣ CZC 12.38.350 - proposed amendments

12.48.100 General Development Standards

(a) Development within the SMSC Overlay Zone shall be as follows:

- (1) Dimensional requirements for each lot type shall be as set forth in CZC 12.48.340, and other applicable requirements of this Title and the Centerville Municipal Code.
- (2) Buildings shall be constructed substantially with rock, brick, and/or decorative concrete block for the first floor level as viewed from Main Street. Upper floors may be accented with other maintenance free materials compatible with the base floor design.
- (3) At least 25% of the primary building façade facing Main Street shall have upgraded architectural features, such as columns, pillars, archways, canopies, balconies, or other treatments.
- (4) At least 15% of a secondary façade facing another non-primary street frontage shall be of upgraded architectural features.
- (5) At least 5% of all other façade shall be of upgraded architectural features.
- (6) Each building on a lot with Main Street frontage shall have an entrance facing Main Street. Entrances shall be accessible to the public as a regular building entry from the public sidewalk.
- (7) In the Traditional Main Street and City Center Subdistricts, entrances allowing public access from the sidewalk shall be provided as follows:
 - (A) Traditional Main Street Lot Type. Entrances shall be provided at intervals of at least 50 feet to maximize street activity and pedestrian access opportunities and to minimize expanses of inactive building wall.
 - (B) All Other Lot Types. Buildings shall have at least one at-grade entry door leading to Main Street and/or another fronting street (e.g. Corner Lots).
- (8) The percentage of building frontage required along the lot width may be reduced to accommodate site plan approved pedestrian plazas located between buildings. Building frontage percentage shall not be reduced to further accommodate parking beyond what is allowed according to CZC 12.48.160. Access to such pedestrian plazas shall be provided from the sidewalk.
- (9) Pedestrian breezeways between buildings shall be a minimum of five feet in width.
- (10) A portion of the building frontage may be setback beyond the required build-to range (RBR) up to an additional 20 feet if the space is utilized as a site plan approved courtyard or entryway that is open and accessible to the public sidewalk, limited to the following:
 - (A) All Lot Types. This portion may be up to 40% of the actual building frontage and shall not be used for parking area, with the following exception set forth in Subsection (B).
 - (B) Civic/Cultural Lot Types. This portion may be up to 75% of the actual building frontage and shall not be used for public or employee parking area, but for courtyards, greenspaces, and other approved design elements.
- (11) The use of front yard areas for commercial type development shall be oriented towards the pedestrian and is to include related amenities such as entrance walks, plazas, benches, bike racks, raised flower boxes, or other such features.
- (12) Required Building Frontage shall be the percentage of the total width of the lot that is required to be used as a building wall. A porte cochere may be counted as a building wall even though it has no front or rear wall.
- (13) Each building shall have separate walls to support all loads independently of any walls located on an adjacent lot. Buildings with side-facing windows shall provide necessary light and air shafts within their own lot without relying on the side yard of an adjacent lot.

- (14) Front porches, balconies, or stoops may extend up to 10 feet into front yards provided that walls, screened areas, or railings that are within the front yard do not exceed 42 inches in height above the floor of the porch, balcony, or stoop.
- (15) Parking shall be located to the rear of the building or in a side yard as allowed by the lot width and building frontage percentage requirements of the applicable lot type.
- (16) Side areas that exceed 15 feet in width shall not be located to another side area that exceeds 15 feet in width unless the areas are used as a unified public gathering area or courtyard or other non-turf landscaping elements (e.g. garden plots, tree groves, flower beds, etc.), and/or design features (accent walls, fencing, sculptures/public art, etc.) approved by the City.
- (17) The street level and/or ground floor elevation shall be no more than the following:
- (A) All Lot Types. Twelve inches above the fronting public sidewalk elevation within the RBL or no more than 12 inches if the entrance is fronting an approved courtyard or other similar pedestrian design entry, with the following exception set forth in Subsection (B).
 - (B) Civic/Cultural Lot Types. Twelve inches above grade of a sidewalk style pathway leading from Main Street to an entrance.
- (18) Roof lines may be flat or pitched. Roofing shall not be of vivid primary colors (red, blue, yellow).
- (19) Windows of tinted or reflective glass may not be located between two feet and nine feet above sidewalk grade on street-facing facades.

12.48.340 Lot Size And Dimension Requirements

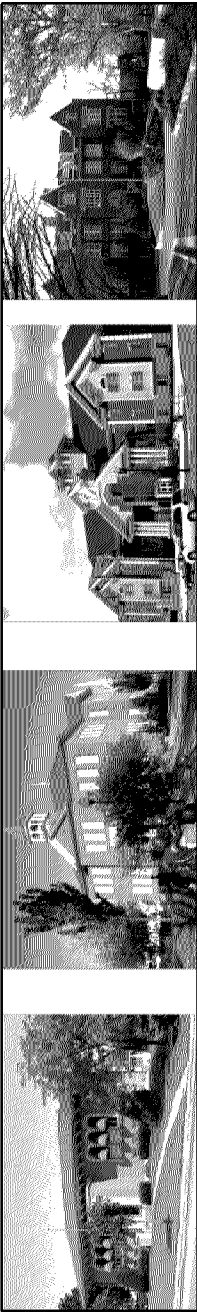
Lot Types	Height				Setbacks			Siting		
	Total	Stories (min/max)	First Floor (min)	Upper Floors (min)	Front	Side	Rear	Lot Width (min/max)	% of Building at RBL	Building % of Lot Frontage
Corner Gateway Lot	28'	1.5/2	10'	8'	10' to 15'	0	15'	25'/185'	75%	75%
TND/ Mixed-Use Lot	35'	2/3	12'	8'	10' to 15'	0/10' max	15'	25'/no max	75%	80% to 100%
City Center Lot a. East Side b. West Side	30' 35'	1.5/2 1.5/3 ¹	12' 12'	8' 8'	10' to 15' 10' to 15'	0/10' max 0/10' max	15' 15'	18'/120' 18'/120'	75% 75%	80% to 100% 80% to 100%
Traditional Main Street Lot a. East Side b. West Side	30' 35'	1.5/2 1.5/3 ¹	10' 10'	8' 8'	10' to 15' 10' to 15'	0 0	15' 15'	25'/240' 25'/240'	75% 75%	75% 75%
Civic/Cultural Lot	40'	2/3	12'	9'	$\frac{30' \text{ to } 50'}{15' \text{ to } 25'}$	5'	15'	50'/no max	75%	60%
Traditional House Lot	28'	1/2	9'	8'	15' to 25'	5'	10'	25'/120'	75%	40% to 70%
Vehicle Storage Lot					15'	5'	5'	56'/150'		
Brownstone/Live-Work Lot	35'	2/3 ²	10'	8'	10' to 15'	0	15'	32'/50'	66%	75%

1. For Traditional Main Street and City Center Lot Types a third story height shall be subject to Condition Use Permit approval and limited to West Side Only.
2. If lot type is used in the Traditional Main Street District, building heights shall comply with the east/west requirements for Traditional Main Street Lot Type.

Civic/Cultural Lot

Building Envelope Specifications:

- Height:** 2 or 3 stories, 40' maximum
- First Floor:** 12' clear height (minimum 50% of floor)
- Upper Floor:** 9' clear height
- Front of Lot:** Req'd Build-to Range (RBR) 30' to 50'
- Sides of Lot:** 5' min.
- Rear of Lot:** 15' setback to building
- Lot Width:** 50' to no max.
- Building Frontage:** Minimum 60% of lot width
- Street Façade:** Minimum 75% in the RBR



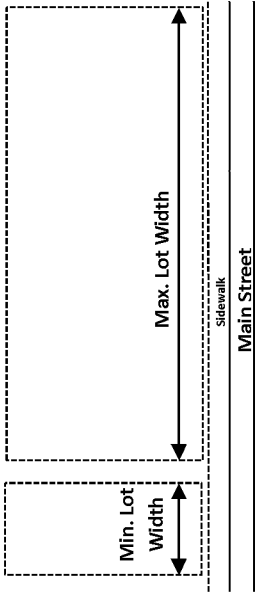
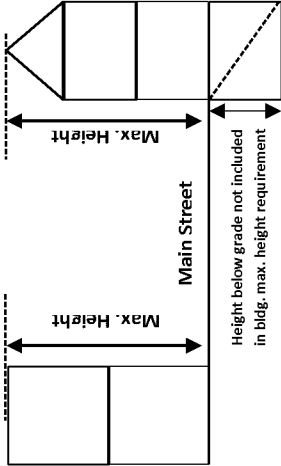
Character Examples

Building Height

40 feet from grade of Main Street

Lot Width

(50' Min. to No Max.)



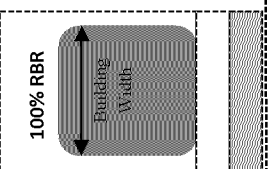
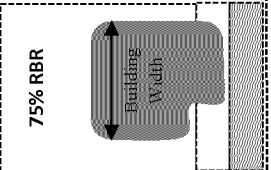
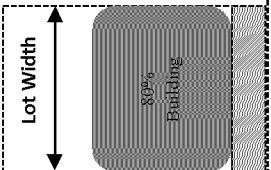
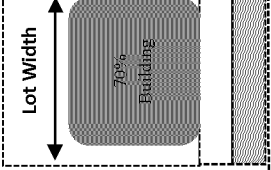
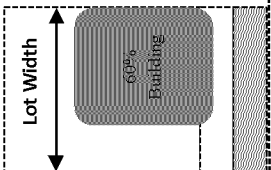
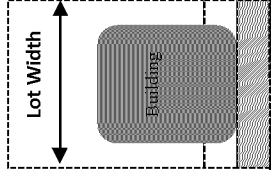
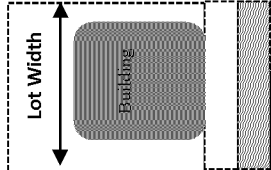
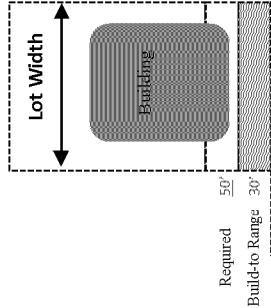
Building Use & Element Specifications:

Solid to Void: 15% openings (voids) are required for the street level on all street facing facades. Upper levels shall have 30% openings on all street facing facades. Blank walls with no openings are not allowed in lengths that exceed 20 feet on any side.

Uses: Civic uses shall occupy a minimum of 50% of the ground floor space. Office or community service-related uses may occupy the remainder of the ground floor and upper floors.

Required Build-to Range

(15' to 25' from Back of Sidewalk)



Building Frontage %

(60% to 80% of Lot Width)

% of Building within RBR

(75 to 100%)

Sidewalk

Sidewalk

Sidewalk

MAIN STREET

CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 7.

Short Title: Mayor's Report

Initiated By: Mayor Wilkinson

Scheduled Time: 8:50

SUBJECT

- a. UIA/UTOPIA update
- b. Fire Service Area

RECOMMENDATION

Mayor Wilkinson will report on matters of City interest.

BACKGROUND

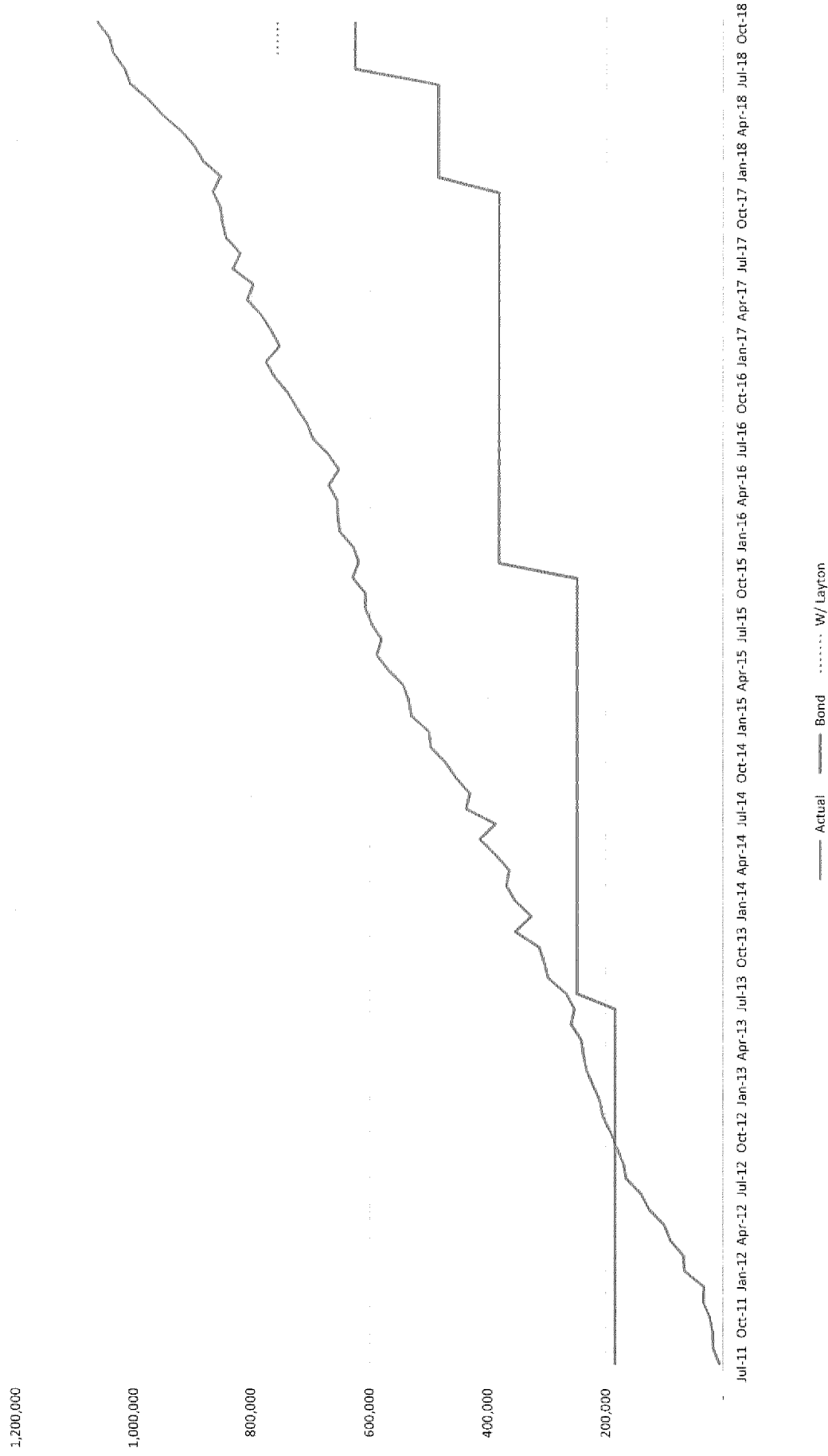
The most recent financial reports for UIA/UTOPIA, including the audit reports for those entities, are attached. A portion of the South Davis Fire Service Area most recent monthly report is also attached.

ATTACHMENTS:

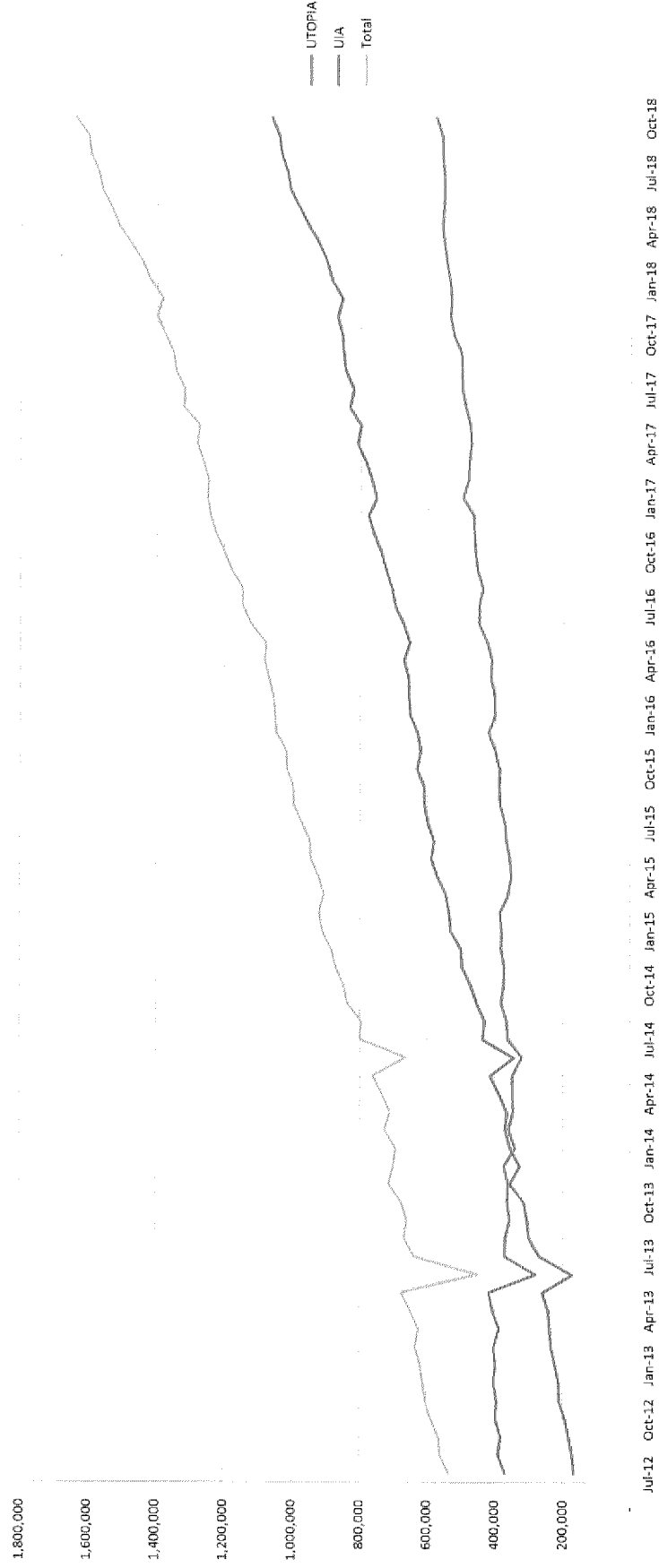
Description

- ▢ UIA Monthly Report Excerpts
- ▢ UTOPIA Monthly Report Excerpt
- ▢ UIA Audit Report for FY 2018
- ▢ UTOPIA Audit Report for FY 2018
- ▢ Fire Service Area Monthly Report - Excerpts

UJA Revenue v. Bond Obligation (Monthly Recurring Revenue)



Recurring Revenue Combined (UTOPIA and UIA)



Finance Committee Report (Unaudited)
UIA
October 2018 (33.33 of Budget)

	Current Month	Year to Date	Annual FY19 Budget	% of Budget	Prior Year YTD	% of Budget
Revenue						
Recurring	\$ 1,063,013	\$ 4,160,294	\$ 12,534,000	33.19%	\$ 3,367,953	31.79%
Install	1,920	17,196	-		34,991	
Misc	11,800	47,200	141,600	33.33%	47,200	33.33%
Interest Income	122,363	326,488	37,500	870.63%	64,134	171.02%
Other Income	-	-	-		1,127	
Total Revenue	\$ 1,199,095	\$ 4,551,178	\$ 12,713,100	35.80%	\$ 3,515,405	32.63%
Operating Expenses						
Administrative Expense	53,548	302,410	668,600	45.23%	164,975	24.74%
Professional Services	1,998	8,013	25,200	31.80%	7,832	31.08%
Network Management	172,961	681,297	2,022,270	33.69%	270,417	19.33%
Misc. Expense	-	-	-		-	
Total Operating Expenses	228,507	991,720	2,716,070	36.51%	443,224	21.19%
Debt Payments						
IRU Capital Lease Interest	1,000	4,000	24,000	16.67%	24,000	33.33%
Interest Expense	490,015	1,790,838	3,733,946	47.96%	951,081	29.88%
Principal (1)	2,595,000	2,595,000	2,595,000	100.00%	1,690,000	100.00%
Total Bond Payments	3,086,015	4,389,838	6,352,946	69.10%	2,665,081	53.90%
Total Expenditures	\$ 3,314,522	\$ 5,381,558	\$ 9,069,016	59.34%	\$ 3,108,305	44.18%
Use/Contribution to Fund Balance (Revenues Over/Under Expenditures)	(2,115,427)	(830,380)	3,644,084		407,100	

(1) Annual Principal payment made each October

Note: Total Expenditures does not include depreciation or amortized bond costs (which are not-cash items)

Finance Committee Report (Unaudited)
UTOPIA
October 2018 (33.33% of Budget)

	Current Month	Year to Date	Annual FY19 Budget	% of Budget	Prior Year YTD	% of Budget
Revenue						
Recurring	\$ 577,498	\$ 2,251,241	\$ 6,756,000	33.32%	\$ 2,027,221	33.81%
Install	1,950	13,110	-		24,740	
UIA IRU	227,544	899,630	2,677,270	33.60%	498,750	35.35%
Interest Income	1	5	-		20	
Other Income	-	145	-		7,365	
Total Revenue	\$ 806,993	\$ 3,164,131	\$ 9,433,270	33.54%	\$ 2,558,096	34.54%
Operating Expenses						
Administrative Expense	\$ 572,860	\$ 2,237,971	\$ 7,074,800	31.63%	\$ 1,971,904	30.61%
Professional Services	25,592	83,288	250,800	33.21%	105,082	26.27%
Network Management	279,580	960,941	2,221,564	43.26%	732,534	33.56%
Misc. Expense	-	-	-		-	
Total Operating Expenses	878,032	3,282,200	9,547,164	34.38%	2,809,520	31.13%
Bond Payments						
Interest Expense	1,097,130	4,388,520	15,565,563	28.19%	4,498,948	31.93%
Principal	-	284,730	1,290,771	22.06%	219,324	22.01%
Total Bond Payments	1,097,130	4,673,250	16,856,334	27.72%	4,718,272	31.28%
Total Expenditures	\$ 1,975,162	\$ 7,955,450	\$ 26,403,498	30.13%	\$ 7,527,792	31.22%
Use/Contribution to Fund Balance (Revenues Over/Under Expenditures)	(1,168,169)	(4,791,319)	(16,970,228)		(4,969,696)	

Note: Total Expenditures does not include depreciation or amortized bond costs (which are not-cash items)

UTAH INFRASTRUCTURE AGENCY

FINANCIAL STATEMENTS

JUNE 30, 2018

**UTAH INFRASTRUCTURE AGENCY
TABLE OF CONTENTS**

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KEDDINGTON & CHRISTENSEN, CPAs

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyll R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Utah Infrastructure Agency
Murray, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Utah Infrastructure Agency (UIA) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise UIA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of UIA as of June 30, 2018, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018 on our consideration of UIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UIA's internal control over financial reporting and compliance.

Keddington & Christensen

Salt Lake City, Utah

December 3, 2018

UTAH INFRASTRUCTURE AGENCY MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The following is a discussion and analysis of the Utah Infrastructure Agency (UIA) financial activities for the fiscal year ending June 30, 2018.

Description of Business

The Utah Infrastructure Agency (UIA) is a political subdivision of the State of Utah and was created in June 2010. Nine cities created the agency (Brigham City, Centerville City, Layton City, Lindon City, Midvale City, Murray City, Orem City, Payson City and West Valley City).

The UIA network is a fiber optic network providing high-speed broadband voice, video and data access. This network includes fiber optic lines, transmitters, power sources and backups, switches and access portals. The network operates as a wholesale network, under an open-access model, which is available to all qualified service providers. The open-access aspect means subscribers—both residents and businesses—have real choice for their broadband needs and can choose the provider and options that work best for them. Eight of the member cities (all except Payson City) pledged franchise tax revenues as partial loan guarantees in order to secure financing for the network.

The UIA network is connected to the UTOPIA fiber optic network pursuant to an Indefeasible Right of Use Agreement (IRU) between UIA and UTOPIA, which grants UIA access to certain facilities of and capacity in the UTOPIA network. The UTOPIA network provides telecommunications services, support and management services as well as crucial infrastructure for the UIA network. The synergy provided by UIA's partnership with UTOPIA allows both organizations to provide their citizens a state-of-the-art broadband network. The project is facilitating economic development throughout UTOPIA member cities. Where the network is completed, residents and businesses have access to the fastest internet in the country.

Twenty five service providers—including First Digital, SumoFiber, Veracity, Windstream, and XMission,—were actively providing services and a total of 19,905 homes and businesses had subscribed to services at year end on the UTOPIA/UIA network. Future growth of the network will be largely demand-based, bringing the network first to those areas that will bring the best return on investment. UIA continues to make significant progress towards the project's original mission: to build and maintain a fiber network to service all of the businesses and residents in UTOPIA's member cities.

As of the end of June, 2018, more than 3,413 miles of fiber cable have been placed within the boundaries of the eleven members cities. Within footprints serviced by 158 hut sites, there are approximately 98,000 addresses, of which approximately 81,000 are able to receive services. The remaining addresses are located in apartment buildings, condominium developments, or in areas isolated by right-of-way or pole access issues.

UTAH INFRASTRUCTURE AGENCY MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Highlights

Financial highlights include:

- UIA's recurring operating revenues increased \$1,586,000 from the prior year.
- Operating profit (EBITDA) for the year was \$634,000 higher than the prior year.

Overview of Financial Statements

The financial statements included in this report have been prepared in compliance with generally accepted accounting principles. The balance sheet provides information about the Agency's resources and obligations at year end. The statement of revenues, expenses and changes in net position presents the results of business activities during the course of the year. The statement of cash flows presents changes in cash and cash equivalents, resulting from operational and investing activities. Notes to the financial statements provide required disclosures and other information that are essential to the full understanding of material data provided in the statements. The notes present information about UIA's accounting policies, significant account balances, obligations, commitments, contingencies and subsequent events.

Operating revenues of \$10.6 million exceeded budget by about \$52,000. Total operating expense (expenses excluding interest and depreciation) was \$7,000 below budget. Operating profit (EBITDA) for the year was \$157,000 better than budgeted. The net profit for the year was \$173,000, which was better than budget by \$1.0 million.

Table 1 - Summary of the Agency's Statement of Net Position.

	2018	2017
Current and other assets	\$ 22,969,122	\$ 20,851,428
Capital assets	69,146,758	53,105,833
Total Assets	92,115,880	73,957,261
Deferred outflows of resources	5,155,878	-
Total Assets	97,271,758	73,957,261
Current and other liabilities	6,101,569	3,962,297
Long-term liabilities outstanding	86,397,084	65,394,455
Total Liabilities	92,498,653	69,356,752
Net investment in capital assets	(5,540,482)	2,076,379
Restricted	9,745,717	8,373,657
Unrestricted	567,870	(5,849,527)
Net Position	\$ 4,773,105	\$ 4,600,509

**UTAH INFRASTRUCTURE AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Table 2 - Summary of the Agency's Statement of Revenues, Expenses and Changes in Fund Net Position

	<u>2018</u>	<u>2017</u>
Revenues:		
Operating revenues	\$ 10,641,815	\$ 9,055,560
Interest income	528,398	491,518
Other revenues	<u>999,424</u>	<u>376,682</u>
Total Revenues	<u>12,169,637</u>	<u>9,923,760</u>
Expenditures:		
Marketing	509,695	323,884
Professional services	716,775	138,352
Network operations	1,404,954	704,047
Depreciation	4,469,316	3,549,885
Bond interest and fees	4,506,128	2,774,126
Loss on disposal of assets	<u>390,173</u>	<u>-</u>
Total Expenditures	<u>11,997,041</u>	<u>7,490,294</u>
Change in net position	172,596	2,433,466
Total net position, beginning of year	<u>4,600,509</u>	<u>2,167,043</u>
Total net position, end of year	<u>\$ 4,773,105</u>	<u>\$ 4,600,509</u>

Capital Assets and Debt Administration

UIA's capital assets, net of depreciation, were \$69.1 million. Types of assets include outside plant (fiber and conduit), inside plant (electronics), customer premise equipment, construction in progress and a capitalized lease (IRU).

As of June 30, 2018, UIA's outstanding debt amounted to \$89.6 million. This is comprised of the revenue bonds and the capitalized IRU note payable.

**UTAH INFRASTRUCTURE AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Table 3 - Summary of UIA's Capital Assets at June 30, 2018:

	2018	2017
Construction in progress	\$ 3,246,486	\$ 749,640
Land	500,000	500,000
Building	2,005,882	2,080,773
Furniture and equipment	281,272	687,599
Outside plant	36,789,870	26,305,279
Inside plant	2,611,468	2,468,854
Customer premise equipment	10,505,107	6,379,936
Intangible right	13,206,673	13,933,752
	<u>\$ 69,146,758</u>	<u>\$ 53,105,833</u>

Table 4 - Summary of UIA's Debt at June 30, 2018:

	2018	2017
Revenue bonds payable	\$ 84,908,232	\$ 62,236,416
Capital leases	1,012,403	1,652,574
Notes payable	3,718,636	3,835,636
	<u>\$ 89,639,271</u>	<u>\$ 67,724,626</u>

Contacting UIA's Financial Management

This financial report is designed to provide interested readers with a general overview of UIA's financial position and to demonstrate accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Utah Infrastructure Agency, 5858 S 900 E Murray, UT 84121.

BASIC FINANCIAL STATEMENTS

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION
June 30, 2018

Assets

Current Assets:

Cash	\$ 5,447,838
Trade receivables, net	1,100,484
Inventory	2,579,451
Prepaid expenses	5,553
Notes receivable	236,173
Restricted cash equivalents	<u>4,504,137</u>
Total Current Assets	<u>13,873,636</u>

Noncurrent assets:

Restricted cash equivalents	6,004,053
Notes receivable	3,091,433
Capital Assets:	
Construction in progress	3,246,486
Land	500,000
Assets, net of accumulated depreciation:	
Building	1,975,882
Furniture and equipment	286,030
Fiber optic network	<u>63,138,360</u>
Total Noncurrent Assets	<u>78,242,244</u>
Total Assets	<u>92,115,880</u>

Deferred Outflows of Resources

Deferred charge on refunding	<u>5,155,878</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 97,271,758</u></u>

The accompanying notes are an integral part of these financial statements.

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION (Continued)
June 30, 2018

Liabilities

Current Liabilities:

Accounts payable	\$ 1,931,760
Accrued liabilities	140,074
Interest payable from restricted assets	762,473
Capital leases payable	647,187
Revenue bonds payable	2,595,000
Unearned revenue	<u>25,075</u>
Total Current Liabilities	<u>6,101,569</u>

Noncurrent Liabilities:

Capital leases payable	365,216
Note payable	3,718,636
Revenue bonds payable	<u>82,313,232</u>
Total Noncurrent Liabilities	<u>86,397,084</u>

Total Liabilities	<u>92,498,653</u>
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Net Position

Net Investment in capital assets	(5,540,482)
Restricted for:	
Debt service	9,672,253
Future development	73,464
Unrestricted	<u>567,870</u>
Total Net Position	<u>4,773,105</u>

Total Liabilities and Net Position	<u><u>\$ 97,271,758</u></u>
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The accompanying notes are an integral part of these financial statements.

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2018

Operating Revenues:	
Access fees	\$ 8,111,854
Installations	14,699
Reconnections	2,373,662
Miscellaneous operating revenue	141,600
Total Operating Revenues	<u>10,641,815</u>
Operating Expenses:	
Marketing	509,695
Professional services	716,775
Network	1,404,954
Depreciation	4,469,316
Total Operating Expenses	<u>7,100,740</u>
Operating Income	<u>3,541,075</u>
Nonoperating Revenues (Expenses):	
Interest income	528,398
Installation related capital contributions	452,541
Donated services from UTOPIA	546,883
Bond interest and fees	(4,506,128)
Loss on disposal of assets	(390,173)
Total Nonoperating Revenues (Expenses)	<u>(3,368,479)</u>
Change In Net Position	172,596
Total Net Position, Beginning of Year	<u>4,600,509</u>
Total Net Position, End of Year	<u><u>\$ 4,773,105</u></u>

The accompanying notes are an integral part of these financial statements.

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

Cash Flows From Operating Activities:	
Cash received from customers and users	\$ 10,609,922
Payments to suppliers	<u>(6,106,017)</u>
Net cash provided by operating activities	<u>4,503,905</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of capital assets	(16,535,931)
Proceeds from installations	510,042
Bond interest and fees	(4,472,843)
Proceeds from issuance of new bonds	85,084,614
Principal paid on bonds	(1,690,000)
Deposit into escrow for debt refunding	(66,288,255)
Payment of note payable	(218,129)
Principal paid on capital leases payable	<u>(655,000)</u>
Net cash used by capital and related financing activities	<u>(4,265,502)</u>
Cash Flows From Non-Capital Financing Activity:	
Proceeds from notes payable addition	<u>33,469</u>
Net cash provided by non-capital financing activity	<u>33,469</u>
Cash Flows From Investing Activity:	
Interest income	<u>528,398</u>
Net cash provided by investing activity	<u>528,398</u>
Net Increase in Cash and Cash Equivalents	800,270
Cash and Cash Equivalents, Beginning of Year	<u>15,155,758</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 15,956,028</u></u>

The accompanying notes are an integral part of these financial statements.

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended June 30, 2018

Reconciliation of operating loss to net cash from operating activities:

Operating income	\$ 3,541,075
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation expense	4,469,316
Donated services from UTOPIA	546,883
(Increase) decrease in assets related to operations	
Trade receivables, net	(88,931)
Prepaid expenses	11,657
Inventory	(4,367,683)
Note receivable related to operating revenues	41,639
Increase (decrease) in liabilities related to operations	
Accounts payable	263,295
Accrued liabilities	71,255
Unearned Revenue	15,399
Net Cash Provided by Operating Activities	\$ 4,503,905

Supplemental Information

Noncash Investing, Capital, and Financing Activities:

Inventory additions to capital assets	\$ 2,734,504
Capitalized interest addition to capital assets	92,734
Accrued interest addition to notes payable	67,660

The accompanying notes are an integral part of these financial statements.

UTAH INFRASTRUCTURE AGENCY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

Utah Infrastructure Agency (UIA), a separate legal entity and political subdivision of the State of Utah, was formed on July 29, 2010, by an Interlocal Cooperative Agreement pursuant to the provisions of the Utah Interlocal Cooperation Act. UIA's Interlocal Cooperative Agreement has a term of five years, and is renewable every year thereafter. UIA consists of nine member-cities (eight pledging and one non-pledging) at June 30, 2018. UIA's purpose is to design, finance, build, operate, and maintain an open, wholesale, public telecommunication infrastructure that has the capacity to deliver high-speed connections to every home and business in the member communities.

In evaluating how to define UIA for financial reporting purposes, management has considered all potential component units. The decision as to whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards Board (GASB). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether UIA is able to exercise oversight responsibilities. UIA does not have any component units, nor is it a component unit of any primary government.

The following is a summary of the more significant policies.

Financial Statement Presentation and Basis of Accounting

UIA prepares its financial statements on an enterprise fund basis, using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private businesses, where the intent is that all costs of providing certain goods and services to the general public be financed or recovered primarily through user charges, or where it has been deemed that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with UIA's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating.

Restricted Assets

UIA maintains investments held by financial institutions for safekeeping of funds relating to service reserves and to fund capital assets. When both restricted and unrestricted assets are available, it is UIA's policy to use restricted assets first, then unrestricted assets as they are needed.

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Deferred Outflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. UIA reports a deferred charge on refunding in this category.

Property and Equipment

Property and equipment are stated at cost, which includes capitalization of interest costs incurred during construction. Normal maintenance and repair expenses that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset. The net book value of property sold or otherwise disposed of is removed from the property and accumulated depreciation accounts and the resulting gain or loss is included as nonoperating revenues or expenses. Depreciation of property and equipment was computed using the straight-line method over the following estimated useful lives:

Outside plant and certain customer premise equipment	25 years
Office furniture and equipment and vehicles	3-5 years
Intangible rights	25 years

Depreciation of inside plant and certain customer premise equipment was computed using an accelerated method over a six-year life.

Cash and Cash Equivalents

UIA considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For purposes of the statement of cash flows, cash and cash equivalents are defined as the cash accounts and the restricted cash equivalent accounts. Investments, in the form of accounts invested with the Utah Public Treasurer's Investment Fund (the State Treasurer's Pool) of UIA are stated at cost, which approximates fair value.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is UIA's best estimate of the amount of probable credit losses in the existing accounts receivable. UIA has reserved \$188,502 of accounts receivable.

Inventories

Inventories are stated at cost using the first-in first-out method.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue is generally recorded when the service has been provided, and profit is recognized at that time. Revenues are reported net of bad debt expense. Total bad debt expense related to revenues of the current period is \$0.

NOTE 2 CASH AND INVESTMENTS

UIA's deposit and investment policy is to follow the Utah Money Management Act. However, UIA does not have a separate deposit or investment policy that addresses specific types of deposit and investment risks to which UIA is exposed.

Utah State law requires that UIA's funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

The Utah Money Management Act also governs the scope of securities allowed as appropriate temporary investments for UIA and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

As of June 30, 2018, UIA had the following deposits and investments, stated at carrying amount, which approximates fair value:

<u>Deposit and investment type</u>	<u>Fair Value</u>
Cash on deposit	\$ 831,690
Investments in Utah Public Treasurer Investment Funds	15,124,338
	<u>\$ 15,956,028</u>

Cash on Deposit:

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, UIA's deposits may not be returned to it. As of June 30, 2018, \$1,736,761 of the \$1,986,761 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. UIA has no policy to manage this type of risk.

Investment in Utah Public Treasurer's Investment Funds (PTIF):

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

Interest rate risk. The risk that changes in the interest rate will have an adverse effect on the fair value of an investment. UIA's investments in PTIF are not subject to interest rate risk.

Credit risk. This is the risk that an issuer or other counter party to an investment will not fulfill its obligations. As of June 30, 2018 the PTIF in which UIA has investments were unrated.

Concentration of credit risk. This is the risk of loss attributable to the magnitude of UIA's investment in a single issuer. UIA's investment in PTIF is not subject to a concentration of credit risk.

Custodial credit risk – investments. This is the risk that, in the event of the failure of the counterparty to a transaction, UIA will not be able to recover the value of its investments that are in the possession of an outside party. UIA's investment in PTIF has no custodial credit risk.

UIA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of UIA's investments in PTIF at June 30, 2018, or \$15,181,628 are based on significant other observable inputs (Level 2 inputs).

NOTE 3 PROPERTY AND EQUIPMENT

The following summarizes UIA's property and equipment as of June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 500,000	\$ -	\$ -	\$ 500,000
Construction in progress	749,640	2,496,846	-	3,246,486
Total capital assets, not being depreciated	1,249,640	2,496,846	-	3,746,486
Capital assets, being depreciated:				
Building	2,122,279	-	-	2,122,279
Furniture and equipment	687,599	234,783	(585,260)	337,122
Outside plant	30,828,753	11,947,211	-	42,775,964
Inside plant	6,108,983	1,503,940	-	7,612,923
Customer premise equipment	8,152,429	4,717,634	(409,681)	12,460,382
Intangible right	18,176,964	-	-	18,176,964
Total capital assets, being depreciated	\$ 66,077,007	\$ 18,403,568	\$ (994,941)	\$ 83,485,634

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 PROPERTY AND EQUIPMENT (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation:				
Building	\$ (41,506)	\$ (74,891)	\$ -	\$ (116,397)
Furniture and equipment	-	(250,937)	195,087	(55,850)
Outside plant	(4,523,474)	(1,462,620)	-	(5,986,094)
Inside plant	(3,640,129)	(1,361,326)	-	(5,001,455)
Customer premise equipment	(1,772,493)	(592,463)	409,681	(1,955,275)
Intangible right	(4,243,212)	(727,079)	-	(4,970,291)
Total accumulated depreciation	(14,220,814)	(4,469,316)	604,768	(18,085,362)
Total capital asset, net of accumulated depreciation	51,856,193	13,934,252	(390,173)	65,400,272
Property and Equipment, net	<u>\$ 53,105,833</u>	<u>\$ 16,431,098</u>	<u>\$ (390,173)</u>	<u>\$ 69,146,758</u>

Depreciation expense of \$4,469,316 was charged to operating expense for the year ended June 30, 2018.

NOTE 4 LONG-TERM DEBT

The following is a summary of the changes in long-term debt obligations for the year ended June 30, 2018.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds					
Series 2017A	\$ -	\$ 73,905,000	\$ -	\$ 73,905,000	\$ 2,145,000
Series 2017B	-	3,500,000	-	3,500,000	450,000
Series 2011A	21,095,000	-	(21,095,000)	-	-
Series 2011B	4,860,000	-	(4,860,000)	-	-
Series 2013	10,375,000	-	(10,375,000)	-	-
Series 2015	23,690,000	-	(23,690,000)	-	-
Plus: Unamortized Premiums	2,216,416	7,679,614	(2,392,798)	7,503,232	-
Total Revenue Bonds	<u>62,236,416</u>	<u>85,084,614</u>	<u>(62,412,798)</u>	<u>84,908,232</u>	<u>2,595,000</u>
Capital Leases					
UTOPIA IRU	1,652,574	-	(640,171)	1,012,403	647,187
Total Capital Leases	<u>1,652,574</u>	<u>-</u>	<u>(640,171)</u>	<u>1,012,403</u>	<u>647,187</u>
Notes Payable					
Pledging Members	3,699,438	67,660	(211,105)	3,555,993	-
Tremonton Note	136,198	33,469	(7,024)	162,643	-
Total Notes Payable	<u>3,835,636</u>	<u>101,129</u>	<u>(218,129)</u>	<u>3,718,636</u>	<u>-</u>
Total Long-Term Debt	<u>\$ 67,724,626</u>	<u>\$ 85,185,743</u>	<u>\$ (63,271,098)</u>	<u>\$ 89,639,271</u>	<u>\$ 3,242,187</u>

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 LONG-TERM DEBT (Continued)

Revenue Bonds

Tax-exempt Telecommunications Revenue and Refunding Bonds, Series 2017A, original issue of \$73,905,000, principal payments due in annual installments beginning October 15, 2018, interest payments due semi-annually at 2.0% to 5.0%, with the final payment due October 15, 2040. The bonds were issued to refund the Series 2011A, 2013, and 2015 Bonds and obtain additional funding for infrastructure. \$ 73,905,000

Taxable Telecommunication Revenue Refunding Bonds, Series 2017B, original issue of \$3,500,000, principal payments due in annual installments beginning October 15, 2018, interest payments due semi-annually at 3.50% with the final payment due October 15, 2023. The bonds were issued to refund the Series 2011B Bonds. 3,500,000

Total Revenue Bonds 77,405,000

Less current portion (2,595,000)

Noncurrent portion \$ 74,810,000

The following summarizes UIA's revenue bonds debt service requirements as of June 30, 2018:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,595,000	\$ 3,642,125	\$ 6,237,125
2020	2,195,000	3,586,575	5,781,575
2021	2,250,000	3,525,125	5,775,125
2022	2,315,000	3,436,600	5,751,600
2023	2,425,000	3,327,400	5,752,400
2024-2028	13,050,000	14,812,625	27,862,625
2029-2033	16,405,000	11,172,625	27,577,625
2034-2038	20,925,000	6,528,375	27,453,375
2039-2041	15,245,000	1,168,125	16,413,125
	<u>\$ 77,405,000</u>	<u>\$ 51,199,575</u>	<u>\$ 128,604,575</u>

**UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 4 LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

Advanced Refunding/Defeasance of Debt in the Current Year

As noted above, a portion of the Series 2017A Bonds were used to advance refund the Series 2011A, Series 2013, and Series 2015 Bonds and the Series 2017B Bonds were used to advance refund the Series 2011B Bonds. The refunding increased UIA's total debt service by \$12,919,685 and resulted in an economic loss (difference between the present value of the debt service on the old and new bonds) of \$3,892,766. The net proceeds from the Series 2017A and Series 2017B Bonds (collectively, the Series 2017 Bonds) used for the refunding totaled \$64,802,106 and together with an equity contribution from UIA in the amount of \$1,486,149 were placed in a trust account with Zions Bank, the escrow agent for the defeasance. Accordingly, the trust account assets and the liability for the defeased bonds are not included in UIA's financial statements. At June 30, 2018, \$58,330,000 of the bonds remained outstanding and are considered defeased.

The escrow agent is authorized to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of the United States of America (Government Securities) and establish a beginning cash balance for future debt service payments on the refunded bonds. The escrow agent is not authorized to sell, transfer, or otherwise dispose of or make substitutions of the Government Securities without UIA's authorization. No substitutions were requested as of June 30, 2018.

Capital Lease

Capital leases consist of the following:

UIA is obligated under a lease for the use of a fiber optic network from Utah Telecommunications Open Infrastructure Agency (UTOPIA), a related party. The terms and options contained in the lease have effectively created a financing arrangement, so UIA is required to record this transaction as a capital lease. Terms of the lease were renegotiated in December 2013. Lease payments of \$54,583 are paid monthly beginning December 2013 including imputed interest at 1.09%. The capitalized cost of fiber optic network is \$18,176,963, with accumulated depreciation of \$4,970,291.

	\$ 1,012,403
Total Capital Lease	1,012,403
Less current portion	<u>(647,187)</u>
Noncurrent portion	<u><u>\$ 365,216</u></u>

**UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 4 LONG-TERM DEBT (Continued)

Minimum lease payments for the years ending June 30 are as follows:

2019	\$ 655,000
2020	<u>366,502</u>
Total minimum lease payments	1,021,502
Less discount, representing imputed interest	<u>(9,099)</u>
Present value of net minimum lease payments	<u>\$ 1,012,403</u>

NOTE 5 RELATED PARTY AND COMMITMENTS AND CONTRACTS

Related Party

Management has determined that UIA and UTOPIA are related parties. During the year UTOPIA charged UIA a management fee of \$539,945 for administration, accounting/finance, marketing, customer service and outside plant performed on behalf of UIA. Management estimated the actual value of those services to be \$1,086,828. The donated services are recorded on the income statement. Since UIA's inception in 2011, UTOPIA has donated management services to UIA valued at approximately \$4,100,000.

UIA also leases a building to UTOPIA under an operating lease agreement entered into on May 1, 2017. The term of the lease is five years with a one-year auto renewal. Payments received from UTOPIA for rent totaled \$141,600 for the year ended June 30, 2018.

Interlocal Cooperative Agreement

UIA has entered into an Interlocal Cooperative Agreement with UTOPIA, wherein UIA will pay UTOPIA for network configuration, operation, and maintenance fees. The amount of the fees is determined based on the number of connections, subscribers, and services performed. The agreement is renewed annually. UIA recorded expenditures to UTOPIA of \$862,823 for the year ended June 30, 2018. Since UIA's inception in 2011, UIA has paid a total of approximately \$3,100,000 to UTOPIA for services related to the Interlocal Cooperative Agreement.

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 PLEDGING MEMBERS LIABILITY AND COMMITMENTS

The eight Pledging Members of UIA have pledged energy sales and use tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements. UIA is required by the Series 2017 A & B bond covenants to have revenue equal to the operations and maintenance expenses and the capital costs in a fiscal year. In the event there is a shortfall, the pledging cities agree to lend its energy sales and use tax revenues in the maximum annual principal allocated to each city as set forth below:

Pledging Member	2018 Share of Total Max. Pledge	2018 Maximum Pledge *
Brigham City	0.62%	\$ 31,831
Centerville City	3.63%	186,737
Layton City	18.20%	937,272
Lindon City	3.35%	172,516
Midvale City	6.60%	339,988
Murray City	13.40%	690,241
Orem City	23.76%	1,223,786
West Valley City	30.44%	1,568,781
	<u>100.00%</u>	<u>\$ 5,151,152</u>

* These amounts are the estimated maximum annual amount of franchise tax revenue payable by each city.

The Second Amended and Restated Interlocal Cooperative Agreement of UIA provides that the UIA Board of Directors may establish Working Capital Assessments to the Member Cities, the payment of which is subject to the appropriations authority of the governing bodies of the Member Cities. UIA has utilized this mechanism to pay certain operating expenses in order to avoid a shortfall under the Communications Services Contracts between UIA and the Member Cities. Under a shortfall scenario, UIA would be obligated to notify the Member Cities of their respective obligations to utilize Energy Sales and Use Taxes to replenish the shortfall. Provided enough cities pay their Working Capital Assessments, no shortfall exists and therefore, no obligation from Energy Sales and Use Taxes. The paid assessments, along with cumulative accrued interest of \$153,326 for a total of \$3,555,993, have been recorded as notes payable to the cities. For the year ended June 30, 2018, UIA paid a total of \$211,105 back to the cities that were current on their assessments.

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 PLEDGING MEMBERS LIABILITY AND COMMITMENTS (Continued)

The schedule below summarizes the cumulative totals paid by the cities:

City	2018 OpEx Assessments Paid	Cumulative Paid	2018 Payments to Cities	Cumulative Remaining
Brigham City	\$ -	\$ 34,824	\$ (9,310)	\$ 25,514
Centerville City	-	221,373	-	221,373
Layton City	-	623,750	(46,471)	577,279
Lindon City	-	118,155	-	118,155
Midvale City	-	307,486	(16,858)	290,628
Murray City	-	141,666	-	141,666
Orem City	-	1,099,242	(60,680)	1,038,562
Payson	-	50,000	-	50,000
West Valley City	-	1,017,276	(77,786)	939,490
	<u>\$ -</u>	<u>\$ 3,613,772</u>	<u>\$ (211,105)</u>	<u>\$ 3,402,667</u>

NOTE 7 SUBSEQUENT EVENTS

On July 11, 2018, UIA issued \$21,810,000 of Telecommunications Revenue Bonds, Series 2018A to fund the acquisition, construction, and installation of the fiber-optic network. Principal payments on the bonds are due in annual installments of \$550,000 to \$1,635,000 beginning in 2020 through 2041, with interest at 5 to 5.375% due semi-annually beginning in 2019.

On August 15, 2018, UIA issued \$22,285,000 of Layton City Telecommunications and Franchise Tax Revenue Bonds, Series 2018 to fund the acquisition, construction, and installation of the fiber-optic network in Layton City. Principal payments on the bonds are due in annual installments of \$150,000 to \$1,515,000 beginning in 2022 through 2045, with interest at 3 to 5% due semi-annually beginning in 2019.

UTAH INFRASTRUCTURE AGENCY

SUPPLEMENTARY REPORTS

JUNE 30, 2018

**UTAH INFRASTRUCTURE AGENCY
SUPPLEMENTARY REPORTS
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KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Utah Infrastructure Agency
Murray, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Utah Infrastructure Agency (UIA), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise UIA's basic financial statements, and have issued our report thereon dated December 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UIA's internal control. Accordingly, we do not express an opinion on the effectiveness of UIA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of UIA's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen

Salt Lake City, Utah
December 3, 2018



KEDDINGTON & CHRISTENSEN, CPAS

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Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE STATE
COMPLIANCE AUDIT GUIDE**

To the Board of Directors
Utah Infrastructure Agency
Murray, Utah

Report on Compliance

We have audited the Utah Infrastructure Agency's (UIA) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on UIA for the year ended June 30, 2018.

State compliance requirements were tested for the year ended June 30, 2018, in the following areas:

Budgetary Compliance

Fund Balance

Open and Public Meetings Act

Treasurer's Bond

Cash Management

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on UIA's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about UIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of UIA's compliance with those requirements.

Opinion on Compliance

In our opinion, UIA complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of UIA is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered UIA's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expression an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UIA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen

Salt Lake City, Utah
December 3, 2018

**UTAH TELECOMMUNICATION OPEN
INFRASTRUCTURE AGENCY**

FINANCIAL STATEMENTS

JUNE 30, 2018

**UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Utah Telecommunication Open Infrastructure Agency
Murray, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Utah Telecommunication Open Infrastructure Agency (UTOPIA), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise UTOPIA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of UTOPIA as of June 30, 2018, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, the pension schedule of contributions, and the OPEB schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of UTOPIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UTOPIA's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 3, 2018

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The following is a discussion and analysis of the Utah Telecommunication Open Infrastructure Agency (UTOPIA) financial activities for the fiscal year ending June 30, 2018.

Description of Business

UTOPIA is a consortium of 15 Utah cities, created to provide construction and operations for a wholesale state-of-the-art fiber optic telecommunications infrastructure. This effort on the part of the municipalities will promote economic development and improve the quality of life for their residents. UTOPIA provides an open access network, allowing private service providers to use the infrastructure to offer retail digital services to customers in UTOPIA member cities.

Eleven of the current UTOPIA member cities pledged sales tax revenues as partial loan guarantees in order to secure financing for the network. UTOPIA has been constructing a wholesale advanced communications network within its member cities. The network is being built with fiber-to-the-premises technology, which transmits information at the speed of light, significantly faster than existing copper, cable, and wireless or satellite systems. Fiber has become accepted as the only infrastructure capable of delivering the capacity and speed needed to meet today's telecommunications and broadband requirements. It is currently used for the backbone of the Internet and other high-demand applications, and recently has begun to be implemented over "the last mile" into homes and businesses. The member cities of UTOPIA were early to recognize this trend and have been laying the fiber-optic cable necessary to connect each member city and the homes and businesses within each city. UTOPIA established an open access network, which allows private sector service providers to use the network to deliver services. The open access concept results in more competition and has resulted in more choice and increased value for the residents and businesses of its member cities.

To help facilitate growth, several cities formed another inter-local entity, called the Utah Infrastructure Agency (UIA). UTOPIA has entered into an agreement to provide network services and access to UIA. Through this arrangement, UTOPIA has been and will continue to be able to generate additional revenue.

Twenty five service providers—including First Digital, SumoFiber, Veracity, Windstream, and XMission,—were actively providing services and a total of 19,905 homes and businesses had subscribed to services at year end on the UTOPIA/UIA network. Future growth of the network will be largely demand-based, bringing the network first to those areas that will bring the best return on investment. UIA continues to make significant progress towards the project's original mission: to build and maintain a fiber network to service all of the businesses and residents in UTOPIA's member cities.

As of the end of June, 2018, more than 3,413 miles of fiber cable have been placed within the boundaries of the eleven members cities. Within footprints serviced by 158 hut sites, there are approximately 98,000 addresses, of which approximately 81,000 are able to receive services. The remaining addresses are located in apartment buildings, condominium developments, or in areas isolated by right-of-way or pole access issues.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Highlights

Financial highlights include:

- Recurring operating revenues increased by \$762,000 from the prior year.
- Total revenues increased nearly \$1.27M compared to the prior year.

Overview of Financial Statements

The financial statements included in this report have been prepared in compliance with generally accepted accounting principles. The balance sheet provides information about the Agency's resources and obligations at year-end. The statement of revenues, expenses, and changes in net position presents the results of business activities during the course of the year. The statement of cash flows presents changes in cash and cash equivalents, resulting from operational and investing activities. Notes to the financial statements provide required disclosures and other information that are essential to the full understanding of material data provided in the statements. The notes present information about the Agency's accounting policies, significant account balances, obligations, commitments, contingencies and subsequent events.

Recurring operating revenues for the fiscal year were about \$397,000 above budgeted levels. Operating expenses (expenses excluding interest and depreciation) were below budget by \$49,000. Operating profit (EBITDA) was nearly \$1.1 Million better than projected, and about \$290,000 better than the prior year. Depreciation and amortization expense were below projected levels. As a result, net income was about \$433,000 better than budget.

Table 1 - Summary of the Agency's Statement of Net Position:

	2018	2017
Current and other assets	\$ 3,422,198	\$ 4,357,150
Capital assets	72,087,096	77,211,858
Total Assets	75,509,294	81,569,008
Deferred outflows of resources	69,481,556	86,168,394
Current and other Liabilities	3,896,235	3,536,683
Long-term liabilities outstanding	380,092,132	382,926,012
Total Liabilities	383,988,367	386,462,695
Deferred inflows of resources	739,668	262,857
Net investment in capital assets	(109,007,692)	(43,831,166)
Restricted	200,470	258,619
Unrestricted	(130,929,963)	(175,415,603)
Net Position, as restated	<u>\$ (239,737,185)</u>	<u>\$ (218,988,150)</u>

**UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Table 2 - Summary of the Agency's Statement of Revenues, Expenses and Changes in Fund Net Position

	2018	2017
Revenues:		
Operating revenues	\$ 8,438,026	\$ 7,046,947
Interest income	25,906	17,726
Other revenues	98,972	224,008
Total Revenues	<u>8,562,904</u>	<u>7,288,681</u>
Expenditures:		
General and administrative	6,161,937	6,053,439
Network	2,267,544	1,846,611
Depreciation	5,201,347	5,252,023
Bond interest and fees	15,134,228	14,201,826
Other expenses	546,883	-
Total Expenditures	<u>29,311,939</u>	<u>27,353,899</u>
Change in net position	(20,749,035)	(20,065,218)
Total net position, beginning of year	<u>(218,988,150)</u>	<u>(198,922,932)</u>
Total net position, end of year	<u><u>\$ (239,737,185)</u></u>	<u><u>\$ (218,988,150)</u></u>

Capital Assets and Debt Administration

UTOPIA's capital assets, net of depreciation, were \$72.1 million at year-end. Types of assets include outside plant (fiber and conduit), inside plant (electronics), customer premise equipment, construction in progress and other miscellaneous assets.

As of June 30, 2018, UTOPIA's outstanding debt amounted to \$297.7 million. The majority of this debt (revenue bonds payable) is secured by the 11 pledging members' sales tax pledges.

Table 3 - Summary of the Agency's Capital Assets

	2018	2017
Construction in progress	\$ 1,752,403	\$ 1,752,403
Outside plant	62,756,548	66,852,999
Inside plant	437,230	761,597
Customer premise equipment	5,988,156	6,422,918
Intangible right	858,819	923,755
Office furniture and equipment	205,191	433,705
Vehicles	88,749	64,481
	<u><u>\$ 72,087,096</u></u>	<u><u>\$ 77,211,858</u></u>

**UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Table 4 - Summary of the Agency's Debt

	<u>2018</u>	<u>2017</u>
Revenue bonds payable	\$ 182,702,672	\$ 183,699,173
Notes payable	<u>114,970,488</u>	<u>98,872,400</u>
	<u>\$ 297,673,160</u>	<u>\$ 282,571,573</u>

Contacting UTOPIA's Financial Management

This financial report is designed to provide interested readers with a general overview of UTOPIA's financial position and to demonstrate accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Utah Telecommunication Open Infrastructure Agency, 5858 S 900 E Murray, UT 84121.

BASIC FINANCIAL STATEMENTS

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION
June 30, 2018

Assets

Current Assets:

Cash	\$ 241,223
Trade receivables, net	603,551
Prepaid expenses	119,594
Notes receivable, current portion	655,000
Restricted cash equivalents, current portion	1,308,286
Total Current Assets	2,927,654

Noncurrent assets:

Restricted cash equivalents, noncurrent portion	137,141
Notes receivable, noncurrent portion	357,403
Capital Assets:	
Construction in progress	1,752,403
Assets, net of accumulated depreciation:	
Fiber optic network	70,040,753
Office furniture and equipment	205,191
Vehicles	88,749
Total Noncurrent Assets	72,581,640
Total Assets	75,509,294

Deferred Outflows of Resources

Deferred outflow of resources for interest rate swaps	66,816,277
Deferred charge on refunding	1,667,256
Deferred outflow of resources relating to pensions	998,023
Total Deferred Outflows of Resources	69,481,556
Total Assets and Deferred Outflows of Resources	\$ 144,990,850

The accompanying notes are an integral part of these financial statements.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION (Continued)
June 30, 2018

Liabilities

Current Liabilities:

Accounts payable	\$ 289,626
Accrued liabilities	252,434
Compensated absences	291,181
Interest payable from restricted assets	1,107,816
Note payable, current portion	9,406
Unearned revenue, current portion	655,000
Revenue bonds payable, current portion	1,290,772
Total Current Liabilities	<u>3,896,235</u>

Noncurrent Liabilities:

Compensated absences	32,354
Note payable, noncurrent portion	114,961,082
Unearned revenue, noncurrent portion	14,346,318
Revenue bonds payable, noncurrent portion	181,411,900
Net pension liability	1,043,452
Net OPEB liability	1,480,749
Interest rate swaps liability	66,816,277
Total Noncurrent Liabilities	<u>380,092,132</u>

Total Liabilities	<u>383,988,367</u>
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Deferred Inflows of Resources

Deferred inflow of resources relating to pensions	<u>739,668</u>
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Net Position

Net investment in capital assets	(109,007,692)
Restricted for:	
Debt service	200,470
Unrestricted	(130,929,963)
Total Net Position	<u>(239,737,185)</u>

Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 144,990,850</u></u>
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The accompanying notes are an integral part of these financial statements.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2018

Operating Revenues:

Access fees	\$ 6,393,196
Fiber lease revenue	655,000
Installation revenue	61,567
Miscellaneous operating revenue	1,328,263

Total Operating Revenues	8,438,026
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Operating Expenses:

Payroll	4,719,860
Material and supplies	1,177,591
Professional services	264,486
Network	2,267,544
Depreciation	5,201,347

Total Operating Expenses	13,630,828
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Operating Income (Loss)	(5,192,802)
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Nonoperating Revenues (Expenses):

Interest income	25,906
Miscellaneous nonoperating revenue	98,972
Donated services to UIA	(546,883)
Bond interest and fees	(15,134,228)

Total Nonoperating Revenues (Expenses)	(15,556,233)
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Change In Net Position	(20,749,035)
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Total Net Position, Beginning of Year	(217,788,740)
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Prior Period Adjustment	(1,199,410)
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Total Net Position, End of Year	\$ (239,737,185)
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The accompanying notes are an integral part of these financial statements.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018

Cash Flows From Operating Activities:

Cash received from customers and users	\$ 8,409,501
Payments to suppliers	(3,711,448)
Payments to employees	<u>(4,530,254)</u>
Net cash provided by operating activities	<u>167,799</u>

Cash Flows From Capital and Related Financing Activities:

Purchase of property and equipment	(76,585)
Proceeds from sale of inventory to outside parties	500,000
Proceeds from network installations	98,972
Proceeds from note payable	14,177,974
Bond interest and fees	(13,077,346)
Principal paid on capital leases, notes payable, and bonds payable	<u>(1,005,814)</u>
Net cash provided by capital and related financing activities	<u>617,201</u>

Cash Flows From Non-Capital Financing Activity:

Donated services to UIA	<u>(546,883)</u>
Net cash used by non-capital financing activity	<u>(546,883)</u>

Cash Flows From Investing Activity:

Interest income	<u>25,906</u>
Net cash provided by investing activity	<u>25,906</u>

Net Increase in Cash and Cash Equivalents	264,023
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Cash and Cash Equivalents, Beginning of Year	<u>1,422,627</u>
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Cash and Cash Equivalents, End of Year	<u><u>\$ 1,686,650</u></u>
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The accompanying notes are an integral part of these financial statements.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF CASH FLOWS (Continued)
For The Year Ended June 30, 2018

Reconciliation of operating loss to net cash from operating activities:

Operating income (loss)	\$ (5,192,802)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization expense	5,201,347
(Increase) decrease in assets related to operations	
Trade receivables, net	(28,525)
Inventory	118,209
Notes receivable	640,171
Prepaid expenses	(30,880)
Increase (decrease) in liabilities related to operations	
Accounts payable	(89,156)
Accrued liabilities	(11,114)
Compensated absences	11,545
Unearned revenue	(640,171)
Pension	(92,164)
OPEB	281,339
Net Cash Provided by Operating Activities	\$ 167,799

Supplemental Information

Noncash Investing, Capital, and Financing Activities:

Interest added to Notes Payable	\$ 1,929,427
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The accompanying notes are an integral part of these financial statements.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

Utah Telecommunication Open Infrastructure Agency (UTOPIA), a separate legal entity and political subdivision of the State of Utah, was formed on March 5, 2002, by an Interlocal Cooperative Agreement pursuant to the provisions of the Utah Interlocal Cooperation Act. UTOPIA's Interlocal Cooperative Agreement has a term of fifty years. During June 2004, the Board of Directors voted to amend the inter-local agreement with the member cities to allow pledging and non-pledging members. The pledging members were required to pledge sales tax revenue from their cities to partially guarantee payment of the bonds, and in return for the pledge, they would be the first to receive UTOPIA's services. The non-pledging cities did not pledge their sales tax revenue but their cities' network will be built when financing can be arranged that does not require a loan guarantee. There were 11 pledging members and 5 non-pledging members in UTOPIA at June 30, 2018. UTOPIA's purpose is to design, finance, build, operate, and maintain an open, wholesale, public telecommunication infrastructure that has the capacity to deliver high-speed connections to every home and business in the member communities.

In evaluating how to define UTOPIA for financial reporting purposes, management has considered all potential component units. The decision as to whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether UTOPIA is able to exercise oversight responsibilities. UTOPIA does not have any component units, nor is it a component unit of any primary government.

The following is a summary of the more significant policies.

Financial Statement Presentation and Basis of Accounting

UTOPIA prepares its financial statements on an enterprise fund basis, using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private businesses, where the intent is that all costs of providing certain goods and services to the general public be financed or recovered primarily through user charges, or where it has been deemed that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Restricted Assets

UTOPIA maintains investments held by financial institutions for safekeeping of funds relating to service reserves. When both restricted and unrestricted assets are available, it is UTOPIA's policy to use restricted assets first, then unrestricted assets as they are needed.

Property and Equipment

Property and equipment are stated at cost, which includes capitalization of interest costs incurred during construction. Normal maintenance and repair expenses that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset. The net book value of property sold or otherwise disposed of is removed from the property and accumulated depreciation accounts and the resulting gain or loss is included as nonoperating revenues or expenses. Depreciation of property and equipment was computed using the straight-line method over the following estimated useful lives. Depreciation of inside plant and certain customer premise equipment was computed using an accelerated method over a six-year life.

Outside plant and certain customer premise equipment	25 years
Office furniture and equipment and vehicles	3-5 years
Intangible rights	25 years

Cash and Cash Equivalents

UTOPIA considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. For purposes of the statement of cash flows, cash and cash equivalents are defined as the cash accounts and the restricted cash equivalent accounts. Investments, in the form of accounts invested with the Utah Public Treasurer's Investment Fund (the State Treasurer's Pool) of UTOPIA are stated at cost, which approximates fair value.

Revenue Recognition

Revenue is generally recorded when the service has been provided, and profit is recognized at that time. Revenues are reported net of bad debt expense. Total bad debt expense related to revenues of the current period is \$0.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is UTOPIA's best estimate of the amount of probable credit losses in the existing accounts receivable. UTOPIA has reserved \$32,072 of accounts receivable.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Inventories

Inventories are stated at cost using the first-in first-out method.

Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports a separate section from assets for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. UTOPIA reports deferred charge on bond refunding, deferred outflows for interest rate swaps (hedging activities), and deferred outflows of resources relating to pensions. In addition, the statement of net position reports a separate section from liabilities for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. UTOPIA reports deferred inflows of resources relating to pensions.

Hedging Activities

UTOPIA accounts for hedging activities in accordance with GASB Statement No. 53 *Accounting for Financial Reporting for Derivative Instruments*. This standard requires that derivative instruments be reported at fair value, and that the changes in the fair value of instruments that are considered to be hedging derivative instruments and found to be effective, be reported as either deferred inflows or deferred outflows in the Statement of Net Position.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 CASH AND INVESTMENTS

UTOPIA's deposit and investment policy is to follow the Utah Money Management Act. However, UTOPIA does not have a separate deposit or investment policy that addresses specific types of deposit and investment risks to which UTOPIA is exposed.

Utah State law requires that UTOPIA's funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

The Utah Money Management Act also governs the scope of securities allowed as appropriate temporary investments for UTOPIA and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

As of June 30, 2018, UTOPIA had the following deposits and investments stated at carrying amount, which approximates fair value:

<u>Deposit and investment type</u>	<u>Fair Value</u>
Cash on deposit	\$ 240,706
Investments in Utah Public Treasurer's Investment Funds	<u>1,445,944</u>
	<u><u>\$ 1,686,650</u></u>

Cash on Deposit:

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, UTOPIA's deposits may not be returned to it. As of June 30, 2018, \$186,892 of the \$439,618 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. UTOPIA has no policy to manage this type of risk.

Investment in Utah Public Treasurer's Investment Funds (PTIF):

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

Interest rate risk. The risk that changes in the interest rate will have an adverse effect on the fair value of an investment. UTOPIA's investment PTIF is not subject to interest rate risk.

Credit risk. This is the risk that an issuer or other counter party to an investment will not fulfill its obligations. As of June 30, 2018, the PTIF in which UTOPIA has investments were unrated.

Concentration of credit risk. This is the risk of loss attributable to the magnitude of UTOPIA's investment in a single issuer. UTOPIA's investment in PTIF is not subject to a concentration of credit risk.

Custodial credit risk – investments. This is the risk that, in the event of the failure of the counterparty to a transaction, UTOPIA will not be able to recover the value of its investments that are in the possession of an outside party. UTOPIA's investment in PTIF has no custodial credit risk.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

UTOPIA categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurements of UTOPIA's investments in PTIF at June 30, 2018, or \$1,451,421, are based on significant other observable inputs (Level 2 inputs).

NOTE 3 PROPERTY AND EQUIPMENT

The following summarizes UTOPIA's property and equipment as of June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 1,752,403	\$ -	\$ -	\$ 1,752,403
Total capital assets, not being depreciated	1,752,403	-	-	1,752,403
Capital assets, being depreciated:				
Outside plant	102,493,064	-	-	102,493,064
Inside plant	5,120,737	-	-	5,120,737
Customer premise equipment	9,840,872	-	(31,089)	9,809,783
Intangible right	1,624,040	-	-	1,624,040
Office furniture and equipment	882,396	14,821	(53,373)	843,844
Vehicles	418,641	62,575	-	481,216
Total capital assets, being depreciated	120,379,750	77,396	(84,462)	120,372,684
Less accumulated depreciation:				
Outside plant	(35,640,065)	(4,096,451)	-	(39,736,516)
Inside plant	(4,359,140)	(324,367)	-	(4,683,507)
Customer premise equipment	(3,417,954)	(434,762)	31,089	(3,821,627)
Intangible right	(700,285)	(64,936)	-	(765,221)
Office furniture and equipment	(448,691)	(242,525)	52,563	(638,653)
Vehicles	(354,160)	(38,307)	-	(392,467)
Total accumulated depreciation	(44,920,295)	(5,201,348)	83,652	(50,037,991)
Total capital asset, net of accumulated depreciation	75,459,455	(5,123,952)	(810)	70,334,693
Property and Equipment, net	<u>\$ 77,211,858</u>	<u>\$ (5,123,952)</u>	<u>\$ (810)</u>	<u>\$ 72,087,096</u>

Depreciation and amortization expense of \$5,201,348 was charged to operating expense for the year ended June 30, 2018.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 LONG-TERM DEBT

The following is a summary of the changes in long-term debt obligations for the year ended June 30, 2018.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds					
2011A tax exempt bonds	\$ 109,289,038	\$ -	\$ (560,690)	\$ 108,728,348	\$ 721,177
2011B taxable bonds	74,410,135	-	(435,811)	73,974,324	569,595
Total revenue bonds	<u>183,699,173</u>	<u>-</u>	<u>(996,501)</u>	<u>182,702,672</u>	<u>1,290,772</u>
Notes payable					
Pledging members	98,803,716	16,107,400	-	114,911,116	-
Layton RDA	68,685	-	(9,313)	59,372	9,406
Total notes payable	<u>98,872,401</u>	<u>16,107,400</u>	<u>(9,313)</u>	<u>114,970,488</u>	<u>9,406</u>
Compensated absences	311,990	341,118	(329,573)	323,535	291,191
Total Long-Term Debt	<u>\$ 282,883,564</u>	<u>\$ 16,448,518</u>	<u>\$ (1,335,387)</u>	<u>\$ 297,996,695</u>	<u>\$ 1,591,369</u>

Revenue Bonds

Tax-Exempt Adjustable Rate Telecommunications and Sales Tax Revenue Refunding Bonds, Series 2011A, original issue of \$110,000,000, mandatory sinking fund amounts due in quarterly installments beginning June 2013, interest payments due quarterly at 1-month LIBOR, which was 2.09213% at June 30, 2018, times 67% plus a spread which varies from .67% to 2.67%, with the final payment due June 2040. The bonds were issued to refund the Series 2008 revenue bonds which were issued to finance UTOPIA's infrastructure construction and retire the Series 2007, 2006, and 2004 Revenue Bonds.

\$ 108,728,348

Tax-Exempt Adjustable Rate Telecommunications and Sales Tax Revenue Refunding Bonds, Series 2011B, original issue of \$75,000,000, mandatory sinking fund amounts due in quarterly installments beginning December 2013, interest payments due monthly at 3-month LIBOR, which was 2.33738% at June 30, 2018, plus a spread which varies from .01% to 15%, with the final payment due June 2040. The bonds were issued to refund the Series 2008 revenue bonds which were issued to finance UTOPIA's infrastructure construction and retire the Series 2007, 2006, and 2004 Revenue Bonds.

73,974,324

Total revenue bonds 182,702,672

Less current portion (1,290,772)

Noncurrent portion \$ 181,411,900

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 LONG-TERM DEBT (Continued)

Revenue Bonds (Continued)

UTOPIA is required by the Series 2011 A & B bond covenants to charge users rates, including connection fees, for all services supplied by UTOPIA sufficient to pay the operation and maintenance expenses of the network. Should UTOPIA not have sufficient net revenues as described, UTOPIA is obligated to the fullest extent possible and as market forces permit to modify user rates to meet the covenant requirement.

UTOPIA is also required by the Series 2011 A & B bond covenants to build up a reserve of \$535,140 for the 2011 A debt service reserve requirement and \$364,860 for the 2011 B debt service reserve requirement. The reserves are to be funded, over time, to the extent that there are net revenues remaining after all operation and maintenance costs, bond interest payments, and required sinking fund payments have been made. The amount actually on reserve at June 30, 2018 for the 2011 A and 2011 B debt service is \$94,081 and \$43,060, respectively and is included in restricted cash equivalents.

At June 30, 2018, the aggregate debt service requirements of UTOPIA's debt and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for the term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on derivative instruments will vary. The hedging derivative, net column reflects only net receipts/payments on derivative instruments that qualify for hedge accounting.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivative, net</u>	<u>Total</u>
2019	\$ 1,290,771	\$ 7,327,476	\$ 6,303,214	\$ 14,921,461
2020	1,650,430	7,355,512	6,253,711	15,259,653
2021	2,050,300	7,285,932	6,191,525	15,527,757
2022	2,483,093	7,209,005	6,115,278	15,807,376
2023	2,958,482	7,119,351	6,023,649	16,101,482
2024-2028	23,018,748	33,677,779	28,110,626	84,807,153
2029-2033	41,142,711	27,890,480	22,766,908	91,800,099
2034-2038	69,553,342	17,359,422	13,478,041	100,390,805
2039-2040	38,554,795	2,500,361	1,538,533	42,593,689
	<u>\$ 182,702,672</u>	<u>\$ 117,725,318</u>	<u>\$ 96,781,485</u>	<u>\$ 397,209,475</u>

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 LONG-TERM DEBT (Continued)

Note Payable

The notes payable consists of the following:

Amounts owed to pledging members. These amounts reflect the use of pledging members contributions to trustee for payments as required by Taxable Adjustable Rate Advanced Communications Special Revenue and Refunding Bonds, Series 2008. Interest is accrued at the current PTIF rate which was 2.4664% at June 30, 2018. These debts are subordinate to the Series 2011 A & B Telecommunications Special Revenue and Refunding Bonds and therefore will not be required to be paid back until that obligation is fulfilled. \$ 114,911,116

Amount owing to Layton City Redevelopment Agency for the development of certain fiber optic infrastructure improvements. Principle and interest payments of \$10,000 due annually beginning January 1, 2012 until January 2025. Interest at 1.0%. 59,372

Total Note Payable 114,970,488

Less current portion (9,406)

Noncurrent portion \$ 114,961,082

Future payments on the Layton City RDA notes payable for the years ending June 30 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 9,406	\$ 594	\$ 10,000
2020	9,501	500	10,000
2021	9,595	405	10,000
2022	9,691	309	10,000
2023	9,788	212	10,000
2024-2025	<u>11,391</u>	<u>129</u>	<u>11,520</u>
	<u><u>\$ 59,372</u></u>	<u><u>\$ 2,149</u></u>	<u><u>\$ 61,520</u></u>

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 PENSIONS

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA **
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases no met may be carried forward to subsequent years.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 PENSIONS (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

Utah Retirement System	<u>Employee Paid</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 322,187	N/A
Tier 2 Public Employees System	213,849	\$ -
Tier 2 DC Only System	41,344	N/A
Total Contributions	<u>\$ 577,380</u>	<u>\$ -</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, we reported a net pension asset of \$0 and a net pension liability of \$1,043,452.

	(Measurement Date): December 31, 2017			Proportionate Share December 31, 2016	Change Decrease
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 1,031,215	0.2353673%	0.2253385%	0.0100288%
Tier 2 Public Employees System	-	12,237	0.1387905%	0.1541564%	-0.0153659%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 1,043,452</u>			

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 PENSIONS (Continued)

The net pension asset and liability were measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, we recognized pension expense of \$484,449.

At June 30, 2018, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,461	\$ 74,569
Changes in assumptions	386,876	25,333
Net difference between projected and actual earnings on pension	225,851	600,770
Changes in proportion and differences between contributions and proportionate share of contributions	76,173	38,996
Contributions subsequent to the measurement date	285,662	-
Total	<u>\$ 998,023</u>	<u>\$ 739,668</u>

\$285,662 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of Resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2018	\$ 53,711
2019	92,602
2020	(54,065)
2021	(130,138)
2022	(2,599)
Thereafter	13,182

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 PENSIONS (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupations and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real Assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 PENSIONS (Continued)

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% from 7.20% from the prior measurement period.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95% as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
System			
Noncontributory System	\$ 2,788,889	\$ 1,031,215	\$ (430,204)
Tier 2 Public Employees System	114,082	12,237	(89,435)
Total	<u>\$ 2,902,971</u>	<u>\$ 1,043,452</u>	<u>\$ (519,639)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 DEFINED CONTRIBUTION SAVINGS PLANS

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

UTOPIA participates in the 401(k) and 457(b) Defined Contribution Savings Plans with Utah Retirement Systems.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

401(k) Plan	2018	2017	2016
Employer Contributions	\$ 84,161	\$ 69,286	\$ 55,785
Employee Contributions	26,399	1,289	-
 457 Plan			
Employer Contributions	18,886	9,486	-
Employee Contributions	107,789	78,025	-

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits through the Utah Retirement Systems, UTOPIA provides other postemployment benefits (OPEB) through a single-employer defined benefit plan and is administered by UTOPIA. The benefits, benefits levels, employee contributions and employer contributions were adopted by the Board and can be amended by the Board at any time.

Employees of UTOPIA who retire directly from the UTOPIA under the Utah Retirement System (URS) are eligible to receive ongoing contributions towards medical and dental insurance for a period of years equal to their years of service with UTOPIA. Benefits may continue beyond age 65 in which case PEHP Medicare Supplement benefits will be provided. The contribution formula is identical to that for active employees; that is, UTOPIA contributes 80% of the cost (including dependent coverage, if elected) and the employee or retiree contributes 20% of the cost. UTOPIA following retirement eligibility provisions from URS as being applicable to UTOPIA Retirees. An employee may retire after having met any of the following rules:

- (1) Age 65 with 4 years of service
- (2) Age 62 with 10 years of service
- (3) Age 60 with 20 years of service
- (4) 25 years with actuarial reduction at any age (not used for valuation)
- (5) 30 years with no reduction at any age (35 years for employees hired on or after July 1, 2011)

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (Continued)

The plan does not issue a separate report. The activity of the plan is reported in the UTOPIA financial statements.

Funding Policy

The funding policy for this benefit is a "Pay-as-you-go" method. As benefit payments are required UTOPIA will fund those requires at that time.

Net OPEB liability, deferred outflow and deferred inflows of resources related to OPEB and OPEB expense

At June 30, 2018 UTOPIA did not have a net asset because of its funding method. UTOPIA report a net OPEB liability of \$1,480,749 which was measured as June 30, 2018 by an actuarial valuation using generally accepted actuarial procedures.

At June 30, 2018 the reported deferred outflows of resources and deferred inflow of resources related to OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Change in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ -</u>	<u>\$ -</u>

The amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred Inflow (net) amortization:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-

For the year ending June 30, 2018, UTOPIA recognized an actuarially calculated OPEB expense of \$281,339

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB plan covered employees

As of June 30, 2018, UTOPIA did not have any inactive employees receiving benefits, nor did the plan have any inactive employees entitled to but not receiving benefits or active employees in the plan.

Actuarial Assumptions

The actuarial valuation calculating the total net OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions with a measurement date of June 30, 2018.

Inflation rate	2.25%
Discount Rate	3.60%
Health Care Trend Rate	8.00% for 2017-2018 decreasing to 5.00% for thereafter

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for year 2014 to 2019, 50% of MP-2016 for years 2030 to 2049 and 20% of MP-2016 for 2050 and after.

Discount rate

The discount rate used to measure the total OPEB liability was 3.60 percent. This rate was based on Bond Buyer 20-Bond General Obligation index.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability calculated using the discount rate of 3.60 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.60 percent) or 1-percentage-point higher (4.60 percent) than the current rate:

	1% Decrease (2.60%)	Discount Rate (3.60%)	1% Increase (4.60%)
Net OPEB liability as of June 30, 2018	\$ 1,857,715	\$ 1,480,749	\$ 1,194,338

Sensitivity of the net OPEB liability to changes in the health care trend rate

The following presents the net OPEB liability calculated using the health care trend rate range from 8.00 to 5.00 percent, as well as what the net OPEB liability would be if it were calculated using a health care trend rate range that is 1-percentage-point lower (7.00 to 4.00 percent) or 1-percentage-point higher (9.00 to 6.00 percent) than the current rate range:

	1% Decrease (7%-4%)	Discount Rate (8-5%)	1% Increase (9-6%)
Net OPEB liability as of June 30, 2018	\$ 1,157,244	\$ 1,480,749	\$ 1,940,312

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB liability

The following is the schedule of changes in the OPEB liability for the actuarial measurement date of June 30, 2018:

Total OPEB Liability	
Service cost at beginning of year	\$ 229,884
Interest on TOL plus service cost, less 1/2 benefit payments	51,455
Changes of benefit terms	-
Difference between actual and expected experience	-
Assumption changes	-
Benefit payments	-
Net Change in Total OPEB Liability	<u>281,339</u>
Total OPEB Liability - Beginning	<u>1,199,410</u>
Total OPEB Liability - Ending	<u><u>\$ 1,480,749</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 8 OPERATING LEASES

UTOPIA has entered into various operating leases to secure network operations facilities, office space and equipment. The current year's expense related to operating leases was \$774,168. These leases range from 3 years to 20 years. Total remaining minimum lease payments at June 30, 2018, are as follows:

<u>Year</u>	<u>Payments</u>
2019	\$ 913,349
2020	472,021
2021	343,475
2022	311,157
2023	287,557
2024-2028	<u>825,104</u>
	<u><u>\$ 3,152,663</u></u>

**UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 9 RELATED PARTY AND COMMITMENTS AND CONTRACTS

Related Party

Management has determined that UTOPIA and UIA are related parties. During the year UTOPIA charged UIA a management fee of \$539,945 for administration, accounting/finance, marketing, customer serve and Outside Plant performed in behalf of UIA. Management estimated the actual value of those services to be \$1,086,828. The donated services are recorded on the income statement. Since UIA's inception in 2011 UTOPIA has donated management services to UIA valued at approximately \$4,100,000.

UTOPIA also leases a building from UIA under an operating lease agreement entered into on May 1, 2017. The term of the lease is five years with a one-year auto renewal. Payments to UIA from UTOPIA for rent totaled \$141,600 for the year ended June 30, 2018.

Interlocal Cooperative Agreement

UTOPIA has entered into an Interlocal Cooperative Agreement with Utah Infrastructure Agency (UIA), wherein UIA will pay UTOPIA for network configuration, operation, and maintenance fees. The amount of the fees is determined based on the number of connections, subscribers, and services performed. The agreement is renewed annually. UTOPIA recorded revenue from UIA of \$862,823 for the year ended June, 30, 2018. Since UIA's inception in 2011, UIA has paid a total of approximately \$3,100,000 to UTOPIA for services related to the Interlocal Cooperative Agreement.

NOTE 10 UNEARNED REVENUE

Lease of Indefeasible Right of Use

UTOPIA has entered into an Interlocal Cooperative Indefeasible Right of Use Agreement with UIA, wherein UTOPIA grants UIA an indefeasible right of use of the UTOPIA fiber optic network, specifically the UIA routes. UIA will have this indefeasible right of use until April 30, 2041. UTOPIA has agreed to ensure that UIA route is properly maintained and perform repairs as necessary. Initially, the payments from UIA were scheduled to be quarterly for five years, with payments at \$1,462,500 for the first four quarters, \$1,100,000 for the next four quarters, \$800,000 for the next eight quarters, and \$750,000 for the final four quarters. In December 2013, management renegotiated the payment schedule with UIA. The new payments on the IRU are due monthly in the amount of \$54,583.33. Prior accrued interest was forgiven. The unpaid balance of the Interlocal Cooperative Indefeasible Right of Use Agreement at June 30, 2018 was \$1,012,403. The net present value of the future lease payments on the note of \$1,021,403 (discounted at a rate of 1.09%) has been recorded as a note receivable from UIA. The receivable portion, plus payments received for which revenue has not yet been recognized of \$14,346,318 a total of \$15,001,318 (\$655,000 of which is current), is reported as unearned revenue and will be recognized evenly over the life of the 30-year contract.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 PLEDGING MEMBERS LIABILITY

The 11 Pledging Members of UTOPIA have pledged sales and use tax revenues to partially guarantee payment of UTOPIA's Revenue bonds. In return for the pledge, these members will be among the first cities to receive UTOPIA's services. In December of 2011, UTOPIA issued Series 2011 A & B revenue bonds with total principal of \$185,000,000. The debt service payments will be met by the 11 Pledging Members. The Pledging Member's annual pledge is listed below for fiscal year 2018. Any amounts paid by Pledging Members to UTOPIA will be a loan to be repaid by UTOPIA.

Pledging Member	2018 Pledged	2018 Paid	2019 Share of Total Max. Pledge	2019 Maximum Pledge *	Yearly Increase June 1,
Brigham City	\$ 475,590	\$ 475,590	3.36%	\$ 485,101	2%
Centerville City	472,999	472,999	3.34%	482,459	2%
Layton City	2,373,968	2,373,968	16.75%	2,421,447	2%
Lindon City	436,978	473,341	3.08%	445,718	2%
Midvale City	861,181	861,181	6.08%	878,404	2%
Murray City	1,748,359	1,748,359	12.34%	1,783,326	2%
Orem City	3,099,812	3,099,812	21.86%	3,161,809	2%
Payson City	259,920	259,920	1.80%	259,920	-
Perry City	116,668	116,668	0.82%	119,001	2%
Tremonton City	358,826	358,826	2.53%	366,002	2%
West Valley City	3,973,674	3,973,674	28.04%	4,053,148	2%
	<u>\$ 14,177,975</u>	<u>\$ 14,214,338</u>	<u>100.00%</u>	<u>\$ 14,456,335</u>	

* These amounts are the fiscal year 2019 maximum debt service that can be required of the Pledging Members for the months July 2018 through June 2019.

NOTE 12 DERIVATIVE ARRANGEMENTS

UTOPIA has two derivative contracts, in the form of interest rate swaps, that hedge against variable interest rate volatility by matching the cash flows provided by the Cities' pledges to the cash flows required for the debt service on the Series 2011 A & B bonds and the associated swap contracts.

The terms, fair values, and credit ratings of counterparties for the various swap agreements at June 30, 2018, are summarized in the following table:

Fixed Rate Paid by UTOPIA	Variable Rate Received by Counterparty	Outstanding Notional Amount	Fair Value	Changes in Fair Value		Swap Termination Date	Counterparty Credit Rating		
				Classification	Amount		S&P	Moody's	Fitch
4.984%	LIBOR x 67% ¹	\$ 108,728,348	\$ (41,987,355)	Deferred Outflow	9,121,146	June 1, 2040	BBB+	Baa1	A-
5.665%	LIBOR + .05% ²	73,974,324	(24,828,922)	Deferred Outflow	7,638,190	June 1, 2040	A-	A3	A+

¹ One month U.S. Dollar London Interbank Offered Rate.

² Three month U.S. Dollar London Interbank Offered Rate.

The notional amounts of the swaps match the principal amounts of the associated debt. The swap agreements contain scheduled reduction in notional amounts that follow scheduled amortization of the associated debt.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 DERIVATIVE ARRANGEMENTS (Continued)

Hedge effectiveness

UTOPIA used the variability-reduction cash flow method to evaluate the hedge effectiveness of the derivative contracts. This method compares the ratio of the net debt service (principal and interest on the bond less the Cities' pledge payment) for the year divided by interest paid on the swap for the year. The critical value for determining how large a reduction in variability is sufficient to demonstrate hedge effectiveness was 90 to 111 percent. At June 30, 2018, the actual critical value was 102%.

Fair Value

At June 30, 2018, the swaps had a combined negative fair value of \$66,816,278. Because interest on the variable rate bonds adjusts to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was calculated under the terms of and conditions of the agreement and is based on significant other observable inputs (Level 2 inputs on the fair value hierarchy described in Note 2). The swap provider is the calculation agent.

Credit Risk

Credit risk is the risk that the counterparty will not fulfill its obligations to UTOPIA. Should a swap be terminated when there is a positive value to UTOPIA, UTOPIA has the risk that the counterparty will not make the termination payment. Also, during the life of the swap, UTOPIA has the risk that the counterparty will not make the monthly swap payments and be exposed to variable interest rates. This risk has been mitigated by the highly rated counterparties in these transactions.

Termination Risk

UTOPIA or the counterparty may terminate the swap if either party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond will no longer carry a synthetic interest rate. Also, if at the time of the termination, the swap have a negative fair value, UTOPIA would be liable to the counterparty for an amount equal to the swap's fair value.

NOTE 13 PRIOR PERIOD ADJUSTMENT

In 2018 UTOPIA implemented GASB 75 related to OPEB as reflected in note 7. A prior period adjustment was required to record actuarial estimates of prior years' obligations related to OPEB which resulting in the decrease of the beginning Net Position of \$1,199,410.

REQUIRED SUPPLEMENTARY INFORMATION

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2017
Last 10 Fiscal Years *

	Year Ended 12/31	Noncontributory System	Contributory Retirement System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2014	0.2335214%	0.0000000%	0.1133770%
	2015	0.2113754%	0.0000000%	0.1462471%
	2016	0.2253385%	0.0000000%	0.1541564%
	2017	0.2353673%	0.0000000%	0.1387905%
Proportionate share of the net pension liability (asset)	2014	\$ 1,014,005	\$ -	\$ (3,436)
	2015	1,196,065	-	(319)
	2016	1,196,065	-	17,196
	2017	1,031,215	-	12,237
Covered employee payroll	2014	\$ 1,734,933	\$ -	\$ 557,276
	2015	1,438,880	-	944,950
	2016	1,438,880	930	1,264,204
	2017	1,498,087	-	1,358,551
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	58.40%	0.00%	-0.60%
	2015	83.12%	0.00%	-0.03%
	2016	83.12%	0.00%	1.36%
	2017	68.84%	0.00%	0.90%
Plan fiduciary net position as a percentage of its covered-employee payroll	2014	90.2%	0.0%	103.5%
	2015	87.8%	0.0%	100.2%
	2016	87.8%	92.9%	95.1%
	2017	91.9%	0.0%	97.4%

** In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset). The 10-year schedule will need to be built prospectively.*

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
PENSON SCHEDULE OF CONTRIBUTIONS

June 30, 2018
Last 10 Fiscal Years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the		Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
			Contractually required Contributions	Contributions			
Noncontributory System							
	2014	\$ 315,590	\$ 315,590	\$ -	\$ 1,825,271	17.29%	
	2015	299,318	299,318	-	1,620,561	18.47%	
	2016	264,948	264,948	-	1,434,475	18.47%	
	2017	254,145	254,145	-	1,375,989	18.47%	
	2018	322,187	32,187	-	1,744,935	18.46%	
Tier 2 Public Employees System**							
	2014	\$ 63,526	\$ 63,526	\$ -	\$ 454,084	13.99%	
	2015	113,880	113,880	-	762,246	14.94%	
	2016	162,226	162,226	-	1,088,035	14.91%	
	2017	202,004	202,004	-	1,354,825	14.91%	
	2018	213,849	213,849	-	1,415,279	15.11%	
Tier 2 Public Employees DC Only System**							
	2014	\$ 16,972	\$ 16,972	\$ -	\$ 304,162	5.58%	
	2015	22,248	22,248	-	331,080	6.72%	
	2016	24,363	24,363	-	364,176	6.69%	
	2017	30,219	30,219	-	451,697	6.69%	
	2018	41,344	41,344	-	617,996	6.69%	

*Paragraph 81.b of GASB 68 requires employers to disclose a 10 year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
OPEB SCHEDULE OF CONTRIBUTIONS

June 30, 2018

Last 10 Fiscal Years *

Year Ended June 30,	Actuarial Determined Contributions **	Contributions in relation to the determined contrib.	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2018	\$ -	\$ -	\$ -	\$ 3,459,754	0.00%

* The 10-year schedule will be built prospectively.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018

RSI NOTE 1 PENSION PLAN CHANGES IN ASSUMPTIONS

As a result of an experience study conducted as of December, 31, 2016, the URS Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumptions from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

RSI NOTE 2 OPEB PLAN SCHEDULE OF CONTRIBUTIONS

The actuarial valuation calculating the total net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense for the year ended June 30, 2018, was determined using the following actuarial methods and assumptions:

Methods and Assumptions		
Actuarial Cost Method.....	Entry Age Normal	
Amortization Method.....	Level Percentage of Payroll	
Salary Increases.....	3.00%, average, including inflation	
Discount Rate.....	3.60%, net of investment expense, including inflation, based on Bond Buyer 20-bond General Obligation Index	
Health Care Trend Rates....	8.00% for 2017-18, decreasing to 5.00% for 2020-21 and after	
Retirees' share of cost.....	Retirees pay the 20% of the medical and dental premiums	
Inflation.....	2.25%	
Mortality	Based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for year 2014 to 2019, 50% of MP-2016 for years 2030 to 2049 and 20% of MP-2016 for 2050 and after.	
Pre-retirement Turnover (based on Utah Retirement System)	<u>Years of Service</u>	<u>Annual Probability of Termination</u>
	Under 5	6.00%
	5 to 9	4.50%
	10 to 14	3.00%
	15+	2.50%

RSI NOTE 3 OPEB PLAN FUNDING

The OPEB plan does not have assets accumulated in a trust to meet the required needs of this plan. The Board of UTOPIA has determined to fund the benefits on a "Pay-As-You-Go" basis.

**UTAH TELECOMMUNICATION OPEN
INFRASTRUCTURE AGENCY**

SUPPLEMENTARY REPORTS

JUNE 30, 2018

**UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SUPPLEMENTARY REPORTS
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KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Utah Telecommunication Open Infrastructure Agency
Murray, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Utah Telecommunication Open Infrastructure Agency (UTOPIA) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise UTOPIA's basic financial statements, and have issued our report thereon dated December 3, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UTOPIA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UTOPIA's internal control. Accordingly we do not express an opinion on the effectiveness of UTOPIA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of UTOPIA's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UTOPIA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly this communication is not suitable for any other purpose.

Keddington & Christensen

Salt Lake City, Utah
December 3, 2018



KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE STATE
*COMPLIANCE AUDIT GUIDE***

To the Board of Directors
Utah Telecommunication Open Infrastructure Agency
Murray, Utah

Report on Compliance

We have audited the Utah Telecommunications Open Infrastructure Agency's (UTOPIA) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on UIA for the year ended June 30, 2018.

State compliance requirements were tested for the year ended June 30, 2018 in the following areas:

Budgetary Compliance
Fund Balance
Utah Retirement Systems

Open and Public Meetings Act
Treasurer's Bond
Cash Management

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on UTOPIA's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about UTOPIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of UTOPIA's compliance with those requirements.

Opinion on Compliance

In our opinion, UTOPIA complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of UTOPIA is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered UTOPIA's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expression an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UTOPIA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or to detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen

Salt Lake City, Utah
December 3, 2018

SOUTH DAVIS METRO FIRE SERVICE AREA

NOVEMBER 2018

FINANCIAL REPORT

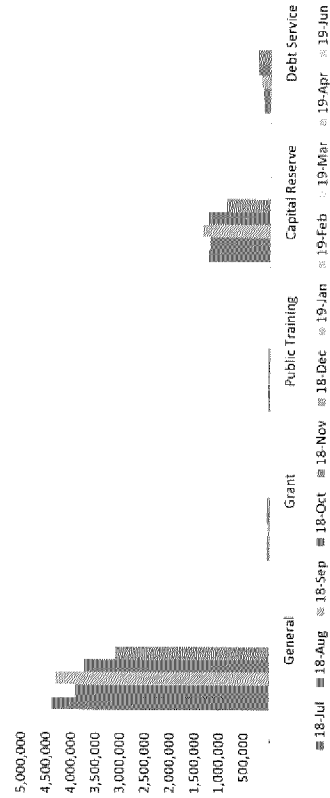
	<u>Contents</u>	<u>Page Number</u>
1.	Board Report Financial Summary Graphs	1
2.	Cash Position	2
3.	Impact Fees Collected	3
4.	Board of Directors Financial Summary	4
5.	Financial Statements Detail	5

South Davis Metro Fire Service Area
For Month Ending: November 2018

Cash Position

	General	Grant	Public Training	Capital Reserve	Debt Service	Total	State Treasurer Int. Rate
18-Jul	4,408,717	54,778	43,658	1,237,446	141,006	5,885,605	2.5801%
18-Aug	3,922,698	54,778	44,237	1,204,727	150,977	5,377,418	2.5836%
18-Sep	4,330,577	54,778	44,637	1,368,772	198,307	5,997,071	2.5979%
18-Oct	3,742,857	59,778	45,282	1,243,288	245,947	5,337,153	2.6486%
18-Nov	3,114,469	59,778	45,856	899,510	264,521	4,384,135	2.7387%
18-Dec							
19-Jan							
19-Feb							
19-Mar							
19-Apr							
19-May							
19-Jun							

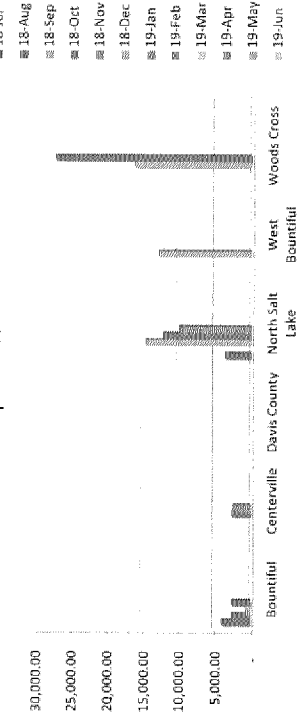
Cash Position Fiscal Year 2018-2019



Impact Fees

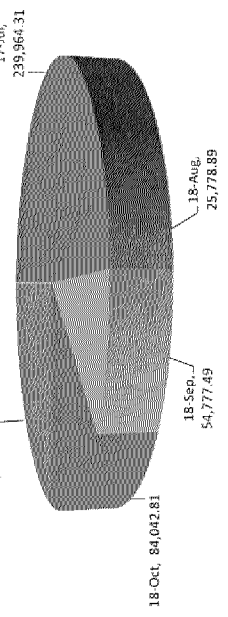
	Bountiful	Centerville	Davis County	North Salt Lake	West Bountiful	Woods Cross	Total
18-Jul	3,864.00			3,597.14			7,461.14
18-Aug	2,576.00						2,576.00
18-Sep	644.00			14,664.38	12,880.00	16,252.97	44,441.35
18-Oct	2,576.00	2,576.00		12,236.00		27,193.00	44,581.00
18-Nov		2,459.05		9,862.00			12,321.05
18-Dec							
19-Jan							
19-Feb							
19-Mar							
19-Apr							
19-May							
19-Jun							
FY Totals	9,660.00	5,035.05	-	40,359.52	12,880.00	43,445.97	111,380.54

Impact Fees



Property Tax FY 2018-2019

	Property Tax	St. Treasurer PTIF Int. Rate
18-Jul	239,964.31	
18-Aug	25,778.89	
18-Sep	54,777.49	
18-Oct	84,042.81	
18-Nov	135,654.03	
18-Dec		
19-Jan		
19-Feb		
19-Mar		
19-Apr		
19-May		
19-Jun		
FY Totals	540,217.53	3.40%



South Davis Metro Fire Service Area								
Cash Position by Fund and in Total								
Balances prior to July 2016 are for South Davis Metro Fire Agency								
	Funds							
Month	General	Grant	Public Training	Capital Reserve	Debt Service	Debt Reserve	Total	St Treas Int. Rate
Nov	3,114,469	59,778	45,856	899,510	264,521	-	4,384,135	2.7387%
Oct	3,742,857	59,778	45,282	1,243,288	245,947	-	5,337,153	2.6486%
Sept	4,330,577	54,778	44,637	1,368,772	198,307	-	5,997,071	2.5979%
Aug	3,922,698	54,778	44,237	1,204,727	150,977	-	5,377,418	2.5836%
July	4,408,717	54,778	43,658	1,237,446	141,006	-	5,885,605	2.5801%
June	3,726,187	51,843	43,015	1,216,568	130,869	-	5,168,483	2.5007%
May	4,884,343	35,149	41,529	654,378	126,971	-	5,742,369	2.3517%
Apr	5,229,824	28,531	40,752	642,345	210,538	-	6,151,989	2.2008%
Mar	5,664,654	28,531	39,876	622,797	223,112	-	6,578,969	2.0302%
Feb	3,754,361	31,576	37,955	588,252	165,893	-	4,578,037	1.8649%
18-Jan	4,137,245	31,576	39,525	505,048	255,514	-	4,968,907	1.7291%
Dec	2,406,126	47,636	37,769	456,894	186,612	-	3,135,037	1.6340%
Nov	1,869,310	31,946	35,992	134,659	(234,429)	269,000	2,106,479	1.6053%
Oct	2,174,812	31,946	34,321	158,797	(234,799)	269,000	2,434,078	1.5621%
Sep	1,228,550	31,946	34,864	158,584	(260,105)	269,000	1,462,840	1.5281%
Aug	478,331	31,946	33,753	158,405	8,711	269,000	980,146	1.4782%
July	1,133,508	31,946	32,480	157,761	(7,564)	269,000	1,617,131	1.4084%
June	1,666,801	55,138	31,326	589,583	(16,309)	269,000	2,595,340	1.3431%
May	2,326,079	55,138	30,223	570,340	(18,029)	269,000	3,232,750	1.2858%
Apr	2,499,301	55,138	29,613	550,435	(39,134)	269,000	3,364,352	1.2651%
Mar	2,024,571	49,155	28,823	531,444	(39,664)	269,000	2,863,329	1.2217%
Feb	2,521,081	49,155	30,981	474,182	(50,931)	269,000	3,293,467	1.2007%
17-Jan	2,704,522	49,155	30,577	454,936	(58,185)	269,000	3,450,005	1.1806%
Dec	1,909,776	49,155	30,672	463,268	(61,640)	269,000	2,660,231	1.1457%
Nov	1,721,509	43,193	29,717	400,205	(64,999)	269,000	2,398,625	1.1231%
Oct	2,296,206	43,193	28,401	403,415	(70,532)	269,000	2,969,683	1.0982%
Sep	1,680,717	43,193	29,175	383,918	195,137	269,000	2,601,140	1.0597%
Aug	2,089,441	43,193	27,110	366,230	179,345	269,000	2,974,320	0.9968%
July	1,535,909	43,193	27,956	354,312	134,445	269,000	2,364,816	0.9429%
June	1,595,631	51,331	32,086	338,794	115,875	269,000	2,402,718	0.9093%
May	2,451,016	51,331	29,667	685,357	95,908	269,000	3,582,279	0.8997%
Apr	1,582,765	51,331	29,308	667,234	81,314	269,000	2,680,952	0.8517%
Mar	1,992,791	64,750	31,377	649,233	75,085	269,000	3,082,236	0.8224%
Feb	2,532,986	64,750	30,461	631,237	63,525	269,000	3,591,959	0.7796%
16-Jan	2,441,964	53,298	28,710	605,058	49,672	269,000	3,447,703	0.7460%
Dec	1,980,493	53,298	27,471	595,520	42,490	269,000	2,968,272	0.7244%
Nov	1,962,997	43,047	29,680	577,857	34,810	269,000	2,917,392	0.6824%
Oct	2,496,969	43,047	26,858	439,596	(14,891)	269,000	3,260,579	0.6593%
Sep	1,566,375	43,047	27,227	422,130	(33,496)	269,000	2,294,282	0.6369%
Aug	2,070,076	43,047	30,422	361,317	224,792	269,000	2,998,653	0.6098%
July	2,210,357	43,047	29,732	343,685	219,591	269,000	3,115,411	0.5791%
June	1,575,733	39,879	29,182	559,135	207,903	269,000	2,680,832	0.5610%
May	1,979,523	39,879	28,687	541,609	200,131	269,000	3,058,841	0.5558%
Apr	1,643,529	39,879	26,855	785,828	169,171	269,000	2,934,274	0.5475%
Mar	1,748,266	39,879	26,583	858,664	168,967	269,000	3,111,370	0.5294%
Feb	2,142,251	39,879	30,185	723,979	155,089	269,000	3,360,383	0.5184%
Jan-15	2,323,799	39,879	30,285	706,482	147,584	269,000	3,517,028	0.5073%
Dec	1,913,763	39,879	29,542	688,917	141,605	269,000	3,082,706	0.5078%
Nov	1,783,921	39,879	28,258	721,355	133,377	269,000	2,975,804	0.5071%
Oct	2,097,865	39,879	25,941	704,070	110,116	269,000	3,246,885	0.4850%
Sep	1,305,145	39,879	29,148	707,771	(36,465)	269,000	2,314,492	0.4767%
Aug	1,874,107	39,879	29,691	698,743	232,777	269,000	3,144,197	0.4699%
July	2,108,885	39,879	29,242	684,890	217,357	269,000	3,349,253	0.4693%
June	1,491,903	23,698	29,335	672,178	203,132	269,000	2,689,246	0.4799%
May	1,820,686	30,971	28,565	1,223,223	194,481	269,000	3,566,943	0.4879%
Apr	2,217,866	30,971	28,391	1,205,793	156,309	269,000	3,908,346	0.4992%
Mar	1,451,650	30,971	27,721	1,188,356	149,354	269,000	3,117,068	0.5023%
Feb	1,909,545	11,966	28,628	1,170,809	135,806	269,000	3,525,754	0.5070%
Jan-14	2,288,411	11,966	27,126	1,177,037	135,669	269,000	3,909,209	0.5074%
Dec	1,997,356	19,971	26,470	735,830	127,300	269,000	3,175,928	0.5103%
Nov	1,827,008	19,971	26,444	768,166	109,582	269,000	3,020,188	0.5150%
Oct	1,500,545	34,971	25,328	730,937	47,884	269,000	2,608,682	0.5143%
Sep	1,389,813	34,971	26,826	893,773	38,844	269,000	2,653,244	0.5125%
Aug	1,702,676	34,971	25,776	879,878	294,743	269,000	3,207,045	0.4962%
Jul	2,069,176	34,971	26,643	862,694	257,162	269,000	3,519,646	0.5115%
Jun	1,330,839	34,971	26,025	849,929	229,257	269,000	2,740,021	0.5046%
May	1,720,150	33,521	25,859	845,327	223,139	269,000	3,116,996	0.4902%
Apr	2,155,452	33,521	25,567	1,009,390	215,946	269,000	3,708,876	0.5295%
Mar	1,422,662	24,255	25,482	1,036,059	192,908	269,000	2,970,365	0.5740%
Feb	1,845,411	23,726	25,465	1,145,025	160,789	269,000	3,469,416	0.6120%
Jan-13	2,113,161	23,726	25,112	1,133,500	158,018	269,000	3,722,517	0.6499%

SOUTH DAVIS METRO FIRE SERVICE AREA								
IMPACT FEES COLLECTED								
DATE BELOW								
Amounts prior to 2017 are for South Davis Metro Fire Agency								
DATE	BOUNTIFUL	CENTERVILLE	DAVIS COUNTY	NORTH SALT LAKE	WEST BOUNTIFUL	WOODS CROSS	TOTAL REVENUE	TOTAL FOR THE YEAR
2004-4 Mos.	-	716.00	-	38,593.68	3,402.00	4,158.00	46,869.68	
2005	-	44,124.66	-	160,858.93	65,640.10	33,128.24	303,751.93	
2006	-	67,908.61	-	203,896.39	16,793.12	10,156.80	298,754.92	
2007	-	39,666.50	263.47	118,685.88	52,937.65	65,296.28	276,849.78	
2008	-	20,118.60	-	95,684.71	5,275.78	10,142.74	131,221.83	
2009	-	8,231.81	-	73,623.57	3,507.38	41,737.05	127,099.81	
2010	-	26,063.64	-	24,968.28	2,337.92	18,292.00	71,661.84	
2011	-	49,665.03	-	30,643.20	3,896.38	16,894.44	101,099.05	
2012	-	34,245.82	-	90,356.64	12,653.19	41,196.00	178,451.65	
2013	-	37,542.04	-	155,267.66	9,633.00	25,231.02	227,673.72	
2014	-	11,095.04	13,990.00	205,859.07	5,179.00	50,727.58	286,850.69	
2015	-	60,189.64	-	89,746.71	9,197.20	10,165.38	169,298.93	
2016-6 Mos.	-	49,518.35	-	58,646.56	5,691.00	5,522.03	119,377.94	
2017	-	20,302.57	-	59,327.51	2,912.00	2,205.16	84,747.24	
2018	-	11,280.69	-	61,910.28	14,357.80	2,044.50	89,593.27	
2019								
07/31/18	3,864.00	-	-	3,597.14	-	-	7,461.14	
08/31/18	2,576.00	-	-	-	-	-	2,576.00	
09/30/18	644.00	-	-	14,664.38	12,880.00	16,252.97	44,441.35	
10/31/18	2,576.00	2,576.00	-	12,236.00	-	27,193.00	44,581.00	
11/30/18	-	2,459.05	-	9,862.00	-	-	12,321.05	
12/31/18	-	-	-	-	-	-	-	
01/31/19	-	-	-	-	-	-	-	
02/28/19	-	-	-	-	-	-	-	
03/31/19	-	-	-	-	-	-	-	
04/30/19	-	-	-	-	-	-	-	
05/31/19	-	-	-	-	-	-	-	
06/30/19	-	-	-	-	-	-	-	111,380.54
							-	
TOTAL	9,660.00	485,704.05	14,253.47	1,508,428.59	226,293.52	380,343.19	2,624,682.82	Down
							2,624,682.82	Across

South Davis Metro Fire Service Area
Board of Directors Financial Summary Fiscal Year 2018
November 30, 2018

42% of the year expired

Line No.	Fund	YTD FY 2019	Annual Budget	Page No.	Comments
***** General Fund 10*****					
Revenue					
1	Property Taxes	300,253	3,863,779	8%	
2	Intergovernmental Revenue-Cities & Co.	2,455,594	5,893,426	42%	
3	Ambulance & PM Fees-Net	1,180,405	2,409,750	49%	
4	All Other General Fund Revenue	25,775	11,236	229%	
5	Contribution- Private Sources	2,500	-	0%	
	Total Revenue	3,964,527	12,178,191	33%	
	Use of Fund Balance (Comp. Abs.)	-	24,999		
	Use of Fund Balance (Equipment)	-	203,000		
6	Use of Fund Balance (Depreciation)	-	675,000		
7	Total Revenue & Use of fund Balance	3,964,527	13,081,190		
Expenditures by Division					
8	Operations	3,892,045	9,439,778	41%	
9	Logistics	199,479	612,279	33%	
10	Communications	162,553	399,256	41%	
11	Fire Prevention	905	13,800	7%	
12	Training	27,150	83,270	33%	
13	Emergency Medical Services	102,573	205,958	50%	
14	Transfer to Debt Service Fund	323,687	776,849	42%	
15	Transfer to Capital Reserve Fund	364,583	875,000	42%	
16	Total Expenditures	5,072,976	12,406,190	41%	
17	Revenues Over/(Under) Expenditures Before	(1,108,449)	675,000	-164%	
18	Transfer to Capital From Fund Balance	-	-	0%	
19	Deferred Inflows/Outflows for Pensions	-	642,923	0%	
20	Depreciation & Loss on Fixed Assets Sold	318,567	675,000	47%	
21	Total Fund Expenditures	5,391,543	13,724,113		
22	Net Revenues Over/(Under) Expenditures	(1,427,016)	(642,923)	222%	
***** Other Funds *****					

Grant Fund 21

1	Revenues	7,935	16,000.00	50%
2	Fund Balance Appropriation/(Addition)	-	-	0%
3	Expenditures	-	16,000.00	0%
4	Revenues Over/(Under) Expenditures	7,935	-	0%

Public Training Fund 22

5	Revenues	5,748	12,800	45%
6	Fund Balance Appropriation/(Addition)	-	-	0%
7	Expenditures	2,409	12,800	19%
8	Revenues Over/(Under) Expenditures	3,340	-	0%

Capital Reserve Fund 45

9	Revenues and Transfers	973,004	8,539,500	11%
10	Fund Balance Appropriation/(Addition)	-	-	0%
11	Expenditures	1,065,593	8,525,000	12%
12	Revenues Over/(Under) Expenditures	(92,589)	14,500	0%

SDFD Equity Fund 70

13	Revenues	-	-	0%
14	Fund Balance Appropriation/(Addition)	0	280,000	0%
15	Expenditures	0	280,000	0%
16	Revenues Over/(Under) Expenditures	0	-	0%

Debt Service Fund 73

17	Revenues and Transfers	521,995	8,528,349	6%
18	Fund Balance Appropriation/(Addition)	-	-	0%
19	Expenditures	577,802	8,426,849	7%
20	Revenues Over/(Under) Expenditures	(55,806)	101,500	-55%

CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 8.

Short Title: Council Liaison Report - Councilwoman Mecham - Trails Committee and Davis County COG Transportation Committee

Initiated By:

Scheduled Time: 9:00

SUBJECT

RECOMMENDATION

Allow Councilwoman Robyn Mecham to report on the activities/issues of the Trails Committee and Davis County COG Transportation Committee.

BACKGROUND

CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 9.

Short Title: City Manager's Report

Initiated By: City Manager

Scheduled Time: 9:10

SUBJECT

- a. Building inspection services
- b. Complete Streets Committee
- c. Parrish Lane mill & paving project in 2019
- d. Work session with State Legislators

RECOMMENDATION

The City Manager will report on a number of issues/projects, including those identified on the agenda.

BACKGROUND

a. Council Members have expressed concern about the City using Sunrise Engineering for building inspection services without a current contract. The City Manager will review the history of this matter and seek the Council's direction.

b. The City Manager will brief the Council about the Complete Streets Committee created by Council policy in 2015. He mentioned this Committee in the December 4 council meeting when he proposed a process for approving a re-striping plan for Main Street when UDOT repaves the road in 2019. The minutes of the May 19, 2015 council meeting (attached) indicate the Council approved a Complete Streets Policy and directed staff "to bring back recommendations regarding how to implement the Policy." The minutes of the October 6, 2015 council meeting (attached) indicate the Council tabled--without specifying a future meeting date--the discussion of an implementation strategy for the Complete Streets Policy. The Complete Streets Policy and a proposed implementation strategy are both included in the attached document titled "Implementation Action Plan 1.0" which was included in the staff report for the October 6, 2015 council meeting.

Staff's perception is that the Implementation Action Plan was never discussed again in a future meeting because of other priorities the new Council pursued after the November 2015 election. The Complete Streets Policy, however, has not been rescinded and staff have made some effort to apply the intent of the Policy to road projects and funding opportunities since 2015--i.e. how to better accommodate non-motorized users of roadways. Hence the reason for the proposal in the December 4 council meeting that the Complete Streets Committee--augmented with several other persons--be involved in recommending how Main Street is re-striping when it is repaved next year.

c. The City Manager wants the Council to aware that Parrish Lane is also scheduled for a mill & repaving project next year, in addition to Main Street.

d. The City Manager will report on his efforts to arrange a work session with State Legislators representing Centerville City before the 2019 Legislative Session.

ATTACHMENTS:

Description

- ▢ 5-19-15 CC Minutes Excerpt
- ▢ 10-6-15 CC Minutes Excerpt
- ▢ Implementation Action Plan 1.0

Code to allow the PDO option for areas less than five acres in size.

Public hearing during regular Council meeting June 16

Meeting with property/business owners within the SMSC June 17

Travis Davis – Mr. Davis said he does not understand why the City would hold a separate meeting with business owners. He suggested the property owners and residents could comment at the same meetings.

Mayor Cutler responded that the Council met with property owners as part of the previous SMSC planning process to understand their concerns and discuss what might motivate them to invest in their property. Mr. Thacker commented that the property owners may be more willing to discuss openly in a setting other than a potentially charged public hearing. The meeting on June 17th will be a public meeting, with everyone welcome. If property owners are unable to attend the meeting on June 17th, they are welcome to comment at one of the other public hearing opportunities. Councilwoman Fillmore agreed that it is important to be respectful of property owners when zoning changes are considered.

The Council took a break from 8:59 p.m. to 9:10 p.m.

PROPOSED COMPLETE STREETS POLICY

Mr. Thacker stated that the intent of the proposed Complete Streets Policy is to consider opportunities to accommodate users other than automobiles as redevelopment occurs. Councilman Wright pointed out that the Policy should consider all elements in an area, and repeated his desire to have power lines on Main Street put underground. Councilman Wright stated that, in his opinion, the utility companies should bear the cost of putting the power lines underground in the interest of public safety. Councilwoman Fillmore added that the Complete Streets Policy is the macro level, and then the first micro application could be the Main Street Public Space Plan, which is a priority set by the Council for this year. Mr. Thacker asked the Council to clarify whether this is a priority.

Councilwoman Fillmore made a motion to adopt the Complete Streets Policy as written and direct staff to bring back recommendations regarding how to implement the Policy. Councilman Wright seconded the motion. Councilwoman Ivie commented that portions of the Policy feel to her like overregulation. The motion passed by unanimous vote (5-0).

FINANCIAL REPORT

Blaine Lutz, Finance Director/Assistant City Manager, presented a Financial Report for the period ending April 30, 2015.

MAYOR'S REPORT

- The Council and Mayor commented on the success of the Centennial Celebration event on May 17th, and expressed appreciation for all of the citizens who made it possible.
- Mayor Cutler reported that the Fire Agency Board has agreed to move forward with drafting a proposal to create a Fire District that would be focused only on capital improvements.

1 walkway would never happen. He said he feels it needs to get done, and he would not want to
2 delay the project over \$12,000. The Council and staff discussed how to fund the additional cost.
3 Mr. Thacker presented photographs of potential fencing, and the Council discussed the options.
4 Councilman Wright expressed preference for a fence style that would discourage anyone from
5 climbing up and jumping. Mr. Randall expressed concern that two construction nights for the
6 pedestrian bridge fencing might not be enough.

7
8 Councilman Wright made a **motion** to approve a Cooperative Agreement with UDOT
9 regarding sidewalk and fencing improvements in connection with the Parrish Lane Overpass
10 Pedestrian Bridge with direction to staff to negotiate with UDOT to provide traffic control or
11 compensate the City for traffic control during construction, with the understanding that staff can
12 proceed either way. Councilwoman Ivie seconded the motion, which passed by unanimous vote
13 (5-0).

14
15 Councilman Higginson made a **motion** to award bid for Parrish Lane Sidewalk Project to
16 ACME Construction in the amount of \$354,117.30. Councilwoman Ivie seconded the motion,
17 which passed by unanimous vote (5-0).

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19 At 10:02 p.m. the Council took a break, returning at 10:11 p.m.

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21 **MUNICIPAL CODE AMENDMENTS – TITLE 5, CHAPTER 9 – RECREATIONAL,**
22 **ARTS, AND PARKS (RAP) TAX – ORDINANCE NO. 2015-23**

23
24 Ms. Romney explained that if the RAP Tax is reauthorized by voters in November, the
25 City must adopt a new ordinance describing how the funds would be collected, administered,
26 and disbursed. She explained proposed amendments to Chapter 9 of Title 5 clarifying the
27 current voter-approved RAP Tax, including its expiration date. Councilwoman Ivie made a
28 **motion** to approve Ordinance No. 2015-23 amending various provisions of Title 5, Chapter 9
29 regarding the Recreational, Arts and Parks (RAP) Tax. Councilwoman Fillmore seconded the
30 motion, which passed by unanimous vote (5-0).

31
32 **COMPLETE STREETS IMPLEMENTATION STRATEGY**

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34 Councilwoman Ivie made a **motion** to table this issue. Councilwoman Fillmore
35 seconded the motion, which passed by unanimous vote (5-0).

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37 **MAYOR'S REPORT**

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 - Mayor Cutler provided South Davis Metro Fire Agency financial reports.
 - Responding to a question asked at a previous Council meeting, Mayor Cutler reported that UTOPIA has not paid any funds to Macquarie at this point.
 - The Mayor reported that he, Cory Snyder, and Ms. Romney met with representatives of Brighton Homes regarding the O'Brien property on Main Street. Brighton Homes is interested in the concept of putting a nursing facility on the property, with single-family homes behind. Application cannot be made until the TZRO expires.

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47 **CITY COUNCIL LIAISON REPORT**

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49 Councilman Wright reported on volunteer hours and in-kind donations to the Whitaker
50 Museum, the success of activities held by the Museum during the summer, and provided
51 handouts advertising upcoming Museum events. He expressed the Museum Board's
52 appreciation for the Council's support, and asked for staff help in facilitating Board meetings.



IMPLEMENTATION ACTION PLAN 1.0

Complete Streets Policy

May 19, 2015



Intent

Streets are one of Centerville's largest shared assets. The majority of street funding in Centerville comes from general revenue to which all contribute, and from which all should benefit regardless of their age, ability or transportation choices. Streets also make up about 30 percent of Centerville's land area and the vast majority of our public spaces for the use of our residents and visitors. Centerville intends to leverage these assets to better achieve our Community Vision.

Community Vision

Centerville envisions a community with inviting streets that enhance the livability and prosperity of our neighborhoods and commercial districts. Streets that empower people of all ages and abilities to greater social and economic involvement; to healthier active living; to reduce household transportation costs and to doing something on a personal level to improve air quality. The Community Vision includes a street network that is accommodating to users of all ages and abilities, including pedestrians, people using mobility aids, bicyclists, transit users, motorists, and freight drivers.

Centerville expects that the consistent application of this Complete Streets Policy over time will result in a more economically viable, beautiful, safe, and accessible Centerville. For example:

- More economically viable through increased land values and budgetary savings in utility/street project coordination.
- More beautiful through more attention to street design and amenities.
- Safer, as streets are designed and maintained to encourage proper speeds; maintain proper corner site distances; protect all street users, especially at crossings and on routes to schools; and improve disaster response and resiliency in the face of wind storms that frequent the area.
- Finally, a more accessible Centerville as better pedestrian, bike, and ADA accessible connections are made to our schools, transit lines, commercial destinations, and to our numerous parks, trails, and wild lands.

Beyond these benefits, the largest and most immediate benefit may just be better coordination and communications in street investments and the ability to safely enjoy our communities while walking, jogging, or riding our bikes.

Policy Scope

The City of Centerville recognizes that all transportation projects- new, maintenance, or reconstruction- are potential opportunities to forward the Community's Vision. The City will, to the maximum practical extent, design, construct, maintain, and operate all streets to forward the Community's Vision. Streets for the purposes of this policy include the entire width of the public rights of way and extend from tree height to underground utilities. The Policy applies to streets regardless of funding source - private or public - and directs City Staff to work with the owners of street assets such as UDOT and utility companies to forward the Community's Vision. This Policy, however, does not mandate that accommodations be constructed for all users on every road. This Policy only requires methodical consideration of accommodation of the Community Vision.

Complete Streets Planning

The facilities and infrastructure that contribute to Complete Streets are generally long term investments. As such these elements will remain in place for many years, which affects quality of life both visually and functionally. Therefore, their design, construction, maintenance, and operations need to reflect the best currently available standards and guidelines. This policy directs decision-makers to consistently plan, design, and construct streets to accommodate Centerville's Vision and to modify the City's existing procedures and governing documents and potentially adopt new procedures and governing documents as appropriate to support such Vision. These efforts are to include, but not necessarily limited to, the following:

Street Typology Cataloging – We believe that Street Typologies would be a useful tool in administering a Complete Streets policy in Centerville. Street Typologies expand the notion of street types beyond what they can do for the automobile to what they are to all users and for the surrounding neighborhoods. Once these typologies are developed, they will be applied to all new planning documents and design standards.

Centerville is unique in its geographic size and extent. As a consequence the various arterial and collector streets often perform multiple functions as they transect various neighborhoods and/or land use areas. Thus, a street typology needs to be developed to better understand the needs and purposes of each particular street segment. Such typology must focus on the needs of any particular street segment as well as corridor. Any subsequent construction or reconstruction not only needs to reflect the needs of the segment, but also the appropriate transitions from one segment type to another.

Master or Strategic Planning – All new or updates to master planning documents that affect or influence the efforts to develop Completes Streets must include an element in the process to consider how such concepts ought to be implemented. Such plans may include the City General and Neighborhood Area Plans, the Trail & Pathway Plan, Master Street Plan, maintenance plans, or Storm Water Master Plan.

Capital Improvement Programing - All capital improvement investment planning must also consider how the Community Vision can be included in the phasing and construction of such elements.

However, such programing needs to be prioritized and coordinated to ensure that investments for complete streets are implemented in an efficient and effective manner. Piece meal implementation without a comprehensive view can lead to waste and reduce any benefits from accomplishing a Complete Streets program.

Street Design Standards, Maintenance, and Operations Implementation –City street design standards and specifications will be updated to align with designated street typologies. Street maintenance activities will also be aligned so as to be supportive of the policy.

Complete Streets Funding

This policy recognizes that any implementation of the Community Vision may have significant cost implications. On one hand, the design, construction, and maintenance of street elements that would not have otherwise been built would be an added cost. On the other hand, this Policy facilitates project savings through joint development and economies of scale. The decisions of implementation need to be prioritized and funds may or may not be available. Nonetheless, a concerted effort needs to be made during various processes to determine if any opportunity exists to implement any concepts. These processes may include the following:

City Zoning and Development Approval Process – Any plan, text or map amendment should consider and implement where feasible the desired Community Vision. Furthermore, any development plan required to design, construct, or install such elements (e.g. street trees, street lamps, pedestrian paths, etc.) should reflect the design or typology in which it is located.

City General and Capital Improvement Funds – Each fiscal year, during the annual budget process, the City Council should determine what funding will be directed towards implementation of the Community Vision. The City Manager and Council should receive recommendations from City Staff identifying what opportunities or types of Complete Street projects can be accomplished. Additionally, any capital improvement plan needs to identify such opportunities. Funding then should be appropriated in amounts that are deemed available.

City's RDA Programs – As RDA project areas are created, the planning and budgetary documents must address the opportunities and needs for implementation of the Complete Streets concepts. Additionally, when funds are requested within existing RDA project areas the development of Complete Street elements should be considered in decision making processes.

Other County, State, and Federal Funds and Grants – Many funding opportunities are eligible for use on Complete Streets betterments and some are targeted specifically at Complete Streets. Existing projects can include Complete Streets betterments when planned ahead of time and supported by City Policy and supporting documents. UDOT, UTA, and Wasatch Front Regional Council are funding agencies with Complete Streets type policies and WFRC provides bonuses in scoring projects with Complete Streets elements or policies. City staff should pursue these funds.

Complete Streets – Creation of a Committee and Point Person

A Complete Streets Committee is to be created consisting of the existing Development Review Team and chaired by the City Manager or his designee. Other staff should be included on a case by case basis, as deemed appropriate. This Committee will be responsible for recommending, reviewing and coordinating the desires and concepts relating to Complete Streets. Additionally, a City point person will be assigned by the City Manager to be the point of contact for UDOT, UTA, and other outside agencies.

Bi-annually, the Complete Streets Committee will report in writing and in a regular session of the City Council on their activities. The report shall include street policies, procedures, and investments made in respect to the streets and how Complete Streets elements were incorporated and why they were not incorporated.

Complete Streets Exemptions Evaluation Criteria

Exemptions regarding the implementation or construction shall be reviewed by the Complete Streets Committee and their recommendation may be accepted or rejected by any approving authority. Such exemptions should be documented with supporting data that indicates the basis for the exemption. Exemptions may include, but not be limited to the following:

- Overall cost being prohibitive
- Short, low-volume, low-speed streets unless part of safe routes to School, traffic calming, or planned multi-modal network connectivity
- Existing developments where such concepts cannot be accommodated
- Streets with limited right-of-way or acquisition of is deemed prohibitive or unnecessary
- Any physical or public concern that outweighs the need to implement such concepts
- Historical context

IMPLEMENTATION ACTION PLAN 1.0



Action Items

Action #	Action Title	Lead Department/ Division	Action Description	Target Completion Date	Lead Facilitator(s)
1	Amend Chapter 12-450, Transportation & Circulation Element (GP)	Community Development	Formulate & Adopt Complete Streets Goals & Objectives	TBD	Cory Snyder
2	Street Typology Cataloguing (Task # 1)	Community Development/ Public Works	Formulate & Create a Street Typology Cataloguing System (GIS System)	TBD	Cory Snyder/ Mike Smith
3	Street Typology Cataloguing (Task # 2)	City Council/ Planning Commission	Identify/ Prioritize Street Segments or Corridors for Development of Typologies	TBD	Mayor Cutler/ Steve Thacker
4	Update City Specifications (multiple tasks)	City Engineer	Review/ Formulate City Specifications Relating to Complete Street Typologies <i>(e.g. Utilities, Street Trees, Street Lighting, Sidewalks, Street Signs & Furniture, etc.)</i>	TBD	Kevin Campbell / Randy Randall
5	Update Bicycle & Trails Master Plan (multiple tasks)	Trails Committee	Update/ Review Master Plan Considering Complete Streets Concepts <i>(e.g. Bike Lane Types & Specifications, Trail Types & Specifications, etc.)</i>	TBD	Bruce Cox/ Jake Smith
6	Formulate/ Update Traffic & Pedestrian Safety Specifications (multiple tasks)	Police Department	Update/ Review City Specifications or Standards <i>(e.g. Safe Routes to Schools Mapping, Truck Routes, Traffic Signing System, etc.)</i>	TBD	Police Chief / Randy Randall
7	Complete Streets Capital Improvement Planning & RDA Funding	City Council/ RDA	Establish Protocols for Considering Complete Streets Funding	TBD	Steve Thacker/ Blaine Lutz
8	Creation of Complete Streets Committee	City Administration	Establish protocols or bylaws for Complete Streets Committee & Make Appointments	TBD	Mayor Cutler/ Steve Thacker

CENTERVILLE

Staff Backup Report 12/18/2018

Item No. 10.

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:

SUBJECT

RECOMMENDATION

Staff are not aware of a need for a closed meeting, but the agenda allows for that possibility.

BACKGROUND

CENTERVILLE

**Staff Backup Report
12/18/2018**

Item No. 11.

Short Title: Possible action following closed meeting, including appointments to boards and committees

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Mayor Wilkinson may recommend appointments to City boards/committees.

BACKGROUND