CENTERVILLE CITY

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

Incorporated in 1915

interoffice MEMORANDUM

to:	Mayor Cutler City Council
cc:	Department Heads Planning Commission
from:	Steve H. Thacker, City Manager S. Thacker
subject:	City Manager's Summary of March 4, 2014 Council Meeting
date:	February 28, 2014

5:15 **<u>Community Foundation Meeting</u>** – The Centerville Community Foundation Board of Directors is supposed to meet in its annual meeting on the first Tuesday in March. However, several Board members cannot attend on that date; therefore, those who can meet will open the meeting and then immediately continue it to March 18, when the other Board members said they can attend. The Mayor, City Manager and Finance Director are Board members. **No Council members are expected to attend.**

5:30 **<u>Work Session</u>** – The purpose of this work session is for the City Council to receive a presentation from Fred Philpot of Lewis Young Robertson and Burningham, regarding the drainage system impact fee analysis and rate study. This consulting help was authorized by the City Council in 2013. The intended outcome of the consultant's work is to update the City's drainage impact fee and make recommendations for maintaining the financial soundness of the Drainage Utility Fund. Mr. Philpot will review the methodologies used for both the impact fee analysis and drainage utility rate study, as well as the preliminary recommendations resulting from his work. The Council will be asked to give the consultant and staff further direction on these matters before a final report is produced for the Council's consideration. There are no advance documents for this work session. **Dinner will be available for the City Council beginning at 5:15 p.m.** Due to the breadth and depth of this topic, please be ready to begin the work session at 5:30.

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

E.1. **<u>Questions and answers re: UTOPIA/UIA's Annual Audit Reports</u>** – In January the City Council requested an opportunity to meet with the independent auditors who prepared the most recent audit reports for UTOPIA and UIA. The Council would like to ask questions about those reports, which were distributed earlier to the City Council. The audit reports are attached again for this meeting. Grant Christensen of the CPA firm of Keddington and Christensen will make the presentation and answer questions.

E.2. **<u>Minutes Review and Acceptance</u>** – The minutes to be approved are enclosed.

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Mayor
Paul A. Cutler

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

City Manager
Steve H. Thacker

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E.3. **Public Hearing – Zoning Ordinance Text Amendments** – This matter was discussed at the February 18 meeting. That discussion and public hearing were continued to March 4. The proposed amendments relate to noticing and public hearing requirements for various land use matters that come before the Planning Commission and/or City Council. The initiative for these amendments was 2013 amendments to State law.

E.4. **Infrastructure Improvements Agreement** – Henry Walker Homes is the developer of the Woods Park PDO located at the corner of Lund Lane and Frontage Road. Typically a developer will record a subdivision and then post a bond before beginning construction of the project's infrastructure. 2013 legislation (SB153), however, now allows developers to begin construction of public improvements and utilities associated with their project prior to recording the final plat. Centerville City has not yet amended its ordinances to incorporate this new allowance in State law. Therefore, in order to comply with State law, staff recommend the City Council enter into an Infrastructure Development Agreement with Henry Walker Homes outlining the requirements for commencement of construction prior to recording the final plat. In this agreement Henry Walker Homes will be required to bond for all improvements within the public rights-of-way, but will not be required to immediately bond for improvements infrastructure within the proposed subdivision.

E.5. **First Amendment to Wal-Mart Development Agreement** – Wal-Mart wishes to change the color scheme and signage on its store in Centerville. In order to do this, however, the City Council must first approve an amendment to the Wal-Mart Development Agreement.

E.6. **Enhancements to Main & Parrish Intersection Project** – Councilwoman Fillmore has asked staff about ways to improve the aesthetic appeal and pedestrian friendliness of the Main & Parrish Intersection Project. Staff have discussed several ideas with Councilwoman Fillmore and UDOT representatives. The attached staff report reveals those enhancements that appear to be feasible if the City Council is willing to authorize funding. Staff recommend the use of RDA funds for these enhancements, as explained in the staff report. The proposed enhancements include powder coating (black) of the traffic signals, colored concrete for the handicapped ramps and portions of sidewalk and curb and gutter near the intersections, and incorporating colored stamped asphalt within the crosswalks of two legs of the intersection. The estimated cost for these enhancements is about $30,000.

E.7. **Mayor's Report** – As shown on the agenda, Mayor Cutler will report on a number of topics. Please see the staff report for some background on these matters, particularly items a, f & g.

E.8. **City Manager's Report** – I intend to bring to the meeting a proposed calendar for preparation and adoption of the FY 2015 Budget. This will include several work sessions for the City Council.

I will also report on staff's discussions with UDOT about a pedestrian connection from Parrish Lane to the Legacy Parkway Trail and how that might be incorporated into the proposed Fred Hale mixed-use development on the southwest corner of Parrish Lane and 1250 West.

E.9. **Miscellaneous Business**

- **a.** **Purchase Police vehicles** – The current budget provides funding for purchasing two more police vehicles, which will replace existing vehicles.
- **b.** **Youth representation on City committees** – Councilwoman Fillmore suggested this idea at the February 18 Council meeting. I suggest the City Council consider using the Youth City Council members in this role.

c. **Request for revising January 7 minutes** – George McEwan has requested a revision to the January 7, 2014 City Council minutes to represent his comments more fully. A transcript of his comments is attached. I recommend the Council address this request by authorizing the attachment of this transcript to the January 7 minutes.

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 Board and Committees** – The terms of three Trails Committee members and one Parks Committee member have expired in the past month. Per the Mayor's direction, I have contacted those persons to find out if they are willing to be reappointed. I will share the results of those contacts with the Mayor, who will likely recommend several reappointments.

9:25 **Adjourn to RDA Meeting** – Following their regular meeting, the City Council will adjourn into a Redevelopment Agency meeting to consider two business items. The first is a tax increment participation agreement relating to the Salmon Pasture development within the Barnard Creek Community Development Project Area. This matter has been discussed in two prior meetings. The RDA's financial advisor, Jason Burningham, in consultation with staff, drafted the attached agreement.

The second RDA business item is whether to use RDA funds for the enhancements to the Main & Parrish Intersection Project, as discussed under No. 6 of the regular City Council meeting agenda.

Potential Agenda Items for March 18 regular City Council Meeting (subject to change):

- Budget work session
- Agreement with Davis County for cost-sharing construction of culvert under Legacy Parkway Trail and Sheep Road at approximately 1000 North
- Public Hearing - Zoning Text Amendment - Planned Development Overlay Zone
- Public Hearing – Rezone of Property for the Legacy Trail Apartment Development - 1250 West Parrish Lane
- Financial Report for period ending February 28, 2014

mlm

CENTERVILLE CITY COUNCIL AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REGULAR PUBLIC MEETING AT 7:00 P.M. ON TUESDAY, MARCH 4, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

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

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

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

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

5:15 Community Foundation Meeting

5:30 Work Session – Review Drainage Utility System – Draft Impact Fee Analysis and Rate Study – Presentation by Lewis Young Robertson Burningham

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

B. PLEDGE OF ALLEGIANCE

C. PRAYER OR THOUGHT
Councilman John Higginson

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. Questions and answers from auditors regarding UTOPIA/UIA's Annual Audit Reports

7:40 2. **MINUTES REVIEW AND ACCEPTANCE**
February 13, 2014 work session; February 18, 2014 work session and regular City Council meeting

(OVER)

7:45 3. Public Hearing - Zoning Ordinance Text Amendments regarding Noticing and Public Hearing Requirements
Public Hearing - Consider Zoning Ordinance Text Amendments regarding noticing and public hearing requirements - Ordinance No. 2014-03 (This item was continued from the February 18 meeting)

8:00 4. Infrastructure Improvements Agreement with Henry Walker Homes
Consider Infrastructure Improvements Agreement (prior to recording final plat) with Henry Walker Homes regarding commencement of construction for Woods Park PDO

8:10 5. First Amendment to Wal-Mart Development Agreement
Consider First Amendment to the Wal-Mart Development Agreement regarding Exterior Building Colors and Signage

8:20 6. Discuss potential enhancements to Main & Parrish Intersection Project

8:50 7. Mayor's Report
a. Direction to Planning Commission re: continued study of accessory dwelling unit topic
b. July 4th Celebration Committee update
c. New development update
d. UTOPIA update
e. Legislative update
f. Representation on I-15 Express Lane Project Committee
g. Tesoro pipeline letter

9:10 8. City Manager's Report
a. Proposed FY 2015 Budget Calendar
b. Legacy Parkway Trail connection

9:15 9. Miscellaneous Business
a. Approve purchase of two police vehicles from Willey Ford in the amounts of $29,023 and $30,050
b. Discuss idea of adding youth members to City committees
c. Consider request to revise January 7, 2014 Council meeting minutes

9:25 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.

9:25 11. Possible action following closed meeting, including appointments to boards and committees

9:25 Adjourn to RDA meeting

F. ADJOURNMENT

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

Marsha L. Morrow, MMC
Centerville City Recorder

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CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No.

Short Title: Community Foundation Meeting

Initiated By:

Scheduled Time: 5:15

SUBJECT

RECOMMENDATION

BACKGROUND

The Foundation's governing documents require the Board to hold their annual meeting on the first Tuesday in March. However, several Board members cannot attend on March 4. Therefore, in order to comply with the annual meeting requirement, the Board will convene and then continue the meeting to March 18 when the absent members can attend.

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No.

Short Title: Work Session - Review Drainage Utility System - Draft Impact Fee Analysis and Rate Study - Presentation by Lewis Young Robertson Burningham

Initiated By:

Scheduled Time: 5:30

SUBJECT

RECOMMENDATION

Listen to consultant's presentation, ask questions for understanding, and give direction that will affect the preparation of the consultant's report.

BACKGROUND

In 2013 the City Council approved a proposal from LYRB to prepare a Comprehensive Financial Sustainability Plan for the City's Drainage Utility. This study or analysis consists of two main parts: 1) a drainage impact fee facilities plan/analysis; and 2) a study of the Drainage Utility's financial soundness, including a review of the adequacy of the monthly fees. Prior to the consultant beginning his work, the City Engineer completed an extensive update of the Drainage Master Plan, which identifies the storm drainage and subsurface drainage projects anticipated for the next 10+ years. The capital projects in this Master Plan--both new facilities and replacements--provide much of the data needed by the consultant to conduct both parts of this study.

The consultant, Fred Philpot of LYRB, met with City staff many times over the past 6 months. This study was more complicated than either of the impact fee studies done in the past two years for parks and culinary water. The conclusions of his work indicate that the drainage impact fee should be equalized for residential and commercial development--i.e. the same fee per acre rather than two different fees. This would result in a slight reduction of the impact fee for commercial development but nearly doubling the impact fee for residential development (i.e. single family homes). His analysis also reveals the need for a significant increase in the monthly drainage utility fees.

Staff believe it best at this point in the study process to educate the City Council on the study's methodology and preliminary outcomes and seek some direction before the consultant prepares a final report. Therefore, there is no report attached in advance for this work session.

LYRB

2014 Storm Drain Impact Fee & Rate Analysis

Centerville City, Utah

March 2014

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.

IFFP AND IFA METHODOLOGY

1. Determine Existing & Future Demand within the Service Area

2. Provide Inventory of Existing Facilities

3. Establish Existing Level of Service

4. Identify Existing and Future Capital Facilities Necessary to Serve New Growth

5. Consider All Revenue Resources to Finance System Improvements

6. Conduct Proportionate Share Analysis

LYRB

SERVICE AREA & DEMAND

- **Service Area:**
  - Single City-wide service area.
- **Demand Analysis:**
  - 208 Acres Served by IFFP Projects

	ACRES
Acres Developed	1,543
Acres Undeveloped	625
Acres Served by IFFP Projects	208
Source: Master Plan, Centerville City	

Existing Facilities & Buy In

The City has determined that the costs of the existing storm drain infrastructure were so minimal and that very little capacity remains within the system that a buy-in component has not been calculated or included in this analysis.

Level of Service

City Drainage systems are designed to handle the 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event

LYRB

FUTURE FACILITIES

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

Impact Fee Includes Only the Growth Related Portion of Future Projects

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

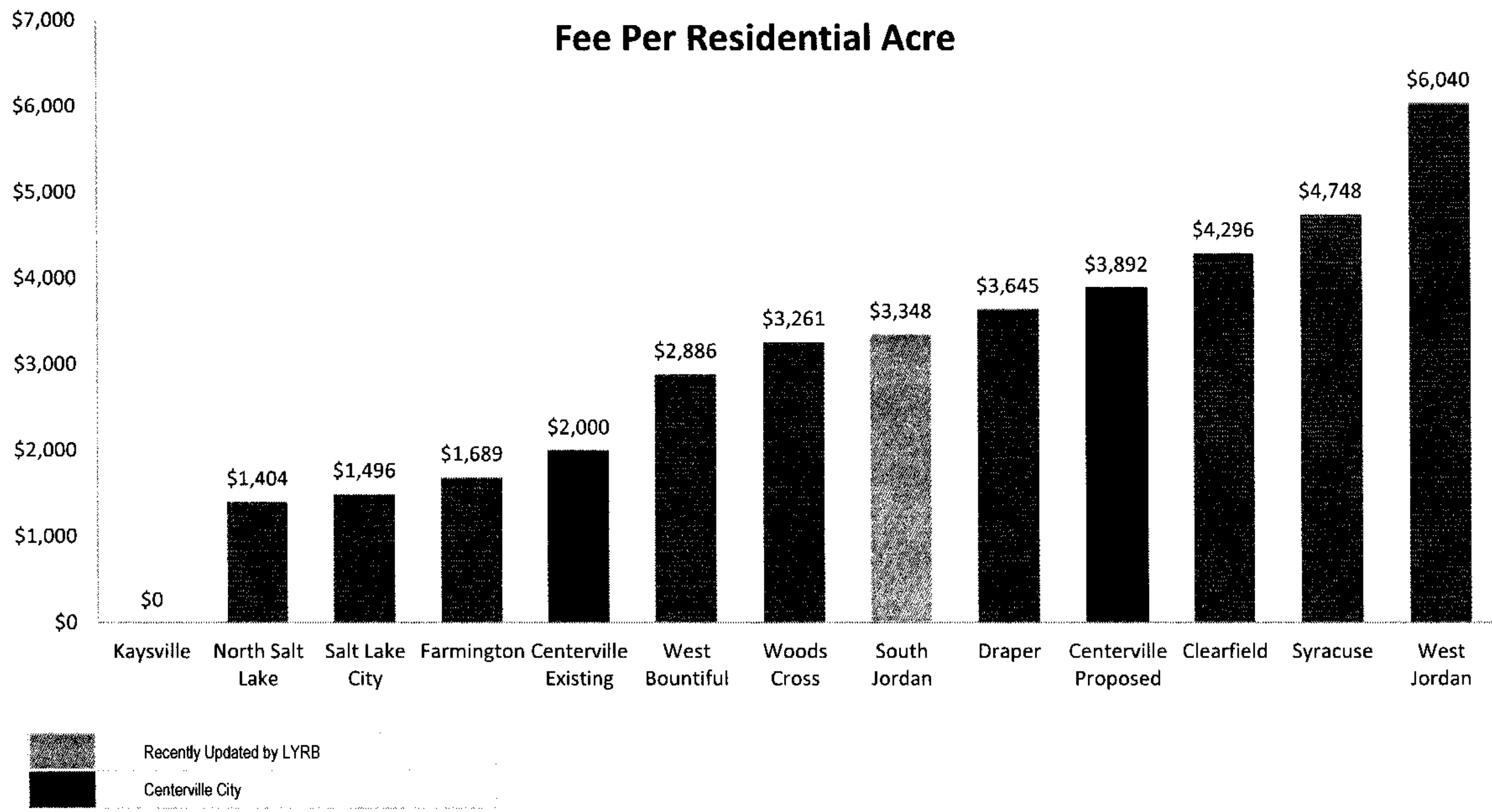
STORM DRAIN IMPACT FEE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-		-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$12,300	100%	$12,300	208	$59
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	**$809,510**		**$809,510**		**$3,892**

- **Note: With the inclusion of proposed debt, the impact fee could be increased to include growth related debt expenses.**
- **Financing costs could add another $400 dollars to the impact fee.**

LYRB

Comparative Storm Drain Impact Fees



LYRB

RATE ANALYSIS

- General Pricing Objectives
- General Assumptions
- Projected Capital and Repair & Replacement Needs
- Scenario Analysis
- Summary of Recommended Structure

PRICING OBJECTIVES

- Simple and Equitable Rates Structures
- Ease of Implementation
- Revenue Sufficiency and Maintenance of Bond Covenants
  - Ensure the drainage utility has sufficient debt service coverage of at least 1.25 times coverage as stipulated in the Master Trust Indenture and amended by the Third Supplemental Indenture.
  - Ensure the drainage utility will maintain sufficient "Days Working Capital" which is measured as a ratio of unrestricted year-end cash balances over operating expenditures. The goal is to maintain at least 150 Days of Working Capital
  - Begin funding a portion of annual depreciation to reflect capital repair and replacement needs.
- Rate Affordability
  - An affordability index of 0.8% of Median Household Income (MHI) is used as a benchmark in this analysis, which is the affordability index for a combined annual water and sewer bill for an AA rated sewer or water utility bond.

ASSUMPTIONS

- Increase in Expenditures of 3% Annually
- Annual Repair and Replacement Allocation (R&R) = $113,782
- 100% funding of Capital Improvement Plan (CIP)
- 99.5% Collection Rate Adjustment
- Growth in ESUs/EDUs of .75%

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Storm Utility ESUs	7,615	7,688	7,698	7,569	7,626	7,683	7,741	7,799	7,858	7,917
Subdrain EDUs: In District	1,179	1,193	1,436	1,447	1,458	1,469	1,480	1,491	1,502	1,513
Subdrain EDUs: Outside District	4,109	4,294	4,364	4,397	4,430	4,463	4,496	4,530	4,564	4,598

ASSUMPTIONS

- Utilizing the growth estimates, LYRB can forecast the potential revenues generated from current service charges without any rate increases, as shown below.

HISTORIC REVENUES	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Charges for Services	**$579,744**	**$542,718**	**$546,537**	**$549,545**	**$555,681**	**$564,987**

PROJECTED FISCAL YEAR REVENUES	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Storm Utility Revenues	361,495	364,218	366,940	369,710	372,480	375,298	378,116
Subdrain Utility (IN) Revenues	103,647	104,424	105,207	105,996	106,791	107,592	108,399
Subdrain Utility (Out) Revenues	104,994	105,781	106,575	107,374	108,179	108,991	109,808
Charges for Services	**$570,136**	**$574,423**	**$578,722**	**$583,080**	**$587,451**	**$591,881**	**$596,323**

ASSUMPTIONS

- 22 percent of the 2012 Water Revenue and Refunding Bonds is funded from the Storm Drain utility.

$4,210,000 Centerville, Utah						
2012 Water Revenue & Refunding Bonds, Series 2012						Storm Portion
FY Year	Principal	Coupon	Interest	Total P+I	Fiscal Total	
2013	335,000.00	2.00%	59,100.10	394,100.10	448,881.35	53,836.98
2014	355,000.00	2.00%	109,562.50	409,781.25	461,012.50	62,937.50
2015	365,000.00	2.00%	102,462.50	416,231.25	463,812.50	67,087.50
2016	405,000.00	4.00%	95,162.50	452,581.25	492,062.50	95,137.50
2017	425,000.00	2.50%	78,962.50	464,481.25	498,650.00	102,575.00
2018	185,000.00	2.25%	68,337.50	219,168.75	251,256.25	110,443.75
2019	265,000.00	2.50%	64,175.00	297,087.50	325,862.50	187,187.50
2020	285,000.00	2.50%	57,550.00	313,775.00	338,987.50	197,625.00
2021	$305,000.00	2.50%	$50,425.00	$330,212.50	$351,612.50	$212,625.00

CIP AND R&R

CAPITAL IMPROVEMENT PLAN	2014	2015	2016	2017	2018	2019	2020
Total Storm Drain Capital Projects	-	(190,500)	(164,000)	(63,250)	(187,490)	(152,850)	(226,000)
Funding of Depreciation	-	(28,446)	(28,446)	(28,446)	(28,446)	(28,446)	(28,446)
Total Storm Subdrain Capital Projects	-	(325,000)	(200,000)	(250,000)	(320,000)	(110,000)	(280,000)
Total CIP (Including 25% Depreciation)	**-**	**($543,946)**	**($392,446)**	**($341,696)**	**($535,936)**	**($291,296)**	**($534,446)**

SCENARIO ANALYSIS

- **Scenario 1 (Baseline): No Rate Increase**
  - Inclusion of Depreciation @ 25%
  - 100% Inclusion of CIP
- **Scenario 2: Rate Increase (No Debt)**
  - Inclusion of Depreciation @ 25%
  - 100% Inclusion of CIP
- **Scenario 3: Base Rate Increase (with Debt)**
  - Inclusion of Depreciation @ 25%
  - 100% Inclusion of CIP
- **Scenario 4: Shared Rate Increase (with Debt)**
  - Inclusion of Depreciation @ 25%
  - 100% Inclusion of CIP

Objectives to consider for each scenario:

1. **Coverage ratio of at least 1.25%**
2. Year-end fund balance should provide for **150 days of O&M**.

ANALYSIS SUMMARY: SCENARIO 1 (BASELINE): NO RATE INCREASE

FISCAL YEAR	2014	2015	2016	2017	2018	2019	2020
Base Rate Increase	-	-	-	-	-	-	-
Total Operating Revenues	$570,136	$574,423	$578,722	$583,080	$587,451	$591,881	$596,323
Total Operating Expenditures	($514,351)	($529,782)	($545,675)	($562,045)	($578,907)	($596,274)	($614,162)
Total Non-Operating Revenues (Expenses)	$2,815	$39,797	$37,719	$38,122	$38,694	$39,275	$39,864
Net Revenues Available For Debt Service	$58,600	$84,439	$70,766	$59,157	$47,238	$34,882	$22,025
Total Storm Debt Service	($62,938)	($67,088)	($95,138)	($102,575)	($110,444)	($187,188)	($197,625)
COVERAGE RATIO	0.93	1.26	0.74	0.58	0.43	0.19	0.11
COVERAGE RATIO: w/o Impact Fees	0.93	0.71	0.35	0.21	0.08	(0.02)	(0.09)
SURPLUS REVENUES	($4,338)	$17,351	($24,371)	($43,418)	($63,205)	($152,306)	($175,600)
Total Transfers In (Out)	-	-	-	-	-	-	-
Total CIP (Including 25% Depreciation)	-	($543,946)	($392,446)	($341,696)	($535,936)	($291,296)	($534,446)
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Total Change in Cash Position	($4,338)	($526,594)	($416,817)	($385,113)	($599,141)	($443,601)	($710,046)
Beginning Cash Reserves	$563,015	$558,677	$32,083	($384,734)	($769,847)	($1,368,988)	($1,812,589)
Ending Cash Reserves	$558,677	$32,083	($384,734)	($769,847)	($1,368,988)	($1,812,589)	($2,522,635)
Ending Cash Reserves (unrestricted)	$558,677	$32,083	($384,734)	($769,847)	($1,368,988)	($1,812,589)	($2,522,635)
Ending Bond Proceeds Balance							
Days of Working Capital (Unrestricted)	396	22	(257)	(500)	(863)	(1,110)	(1,499)

LYRB

ANALYSIS SUMMARY: SCENARIO 2: RATE INCREASE (NO DEBT)

FISCAL YEAR	2014	2015	2016	2017	2018	2019	2020
Base Rate Increase	0.0%	125.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Base Rate	$4.00	$9.00	$9.00	$9.00	$9.00	$9.00	$9.00
Total Operating Revenues	$570,136	$1,029,695	$1,037,397	$1,045,218	$1,053,051	$1,061,003	$1,068,968
Total Operating Expenditures	($514,351)	($529,782)	($545,675)	($562,045)	($578,907)	($596,274)	($614,162)
Total Non-Operating Revenues (Expenses)	$2,815	$39,797	$39,996	$40,780	$41,750	$41,678	$42,407
Net Revenues Available For Debt Service	$58,600	$539,711	$531,718	$523,953	$515,894	$506,408	$497,213
Total Storm Debt Service	($62,938)	($67,088)	($95,138)	($102,575)	($110,444)	($187,188)	($197,625)
COVERAGE RATIO	0.93	8.04	5.59	5.11	4.67	2.71	2.52
COVERAGE RATIO: w/o Impact Fees	0.93	7.49	5.19	4.74	4.32	2.50	2.31
SURPLUS REVENUES	($4,338)	$472,623	$436,580	$421,378	$405,451	$319,220	$299,588
Total Transfers In (Out)	-	-	-	-	-	-	-
Total CIP (Including 25% Depreciation)	-	($543,946)	($392,446)	($341,696)	($535,936)	($291,296)	($534,446)
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Total Change in Cash Position	($4,338)	($71,322)	$44,135	$79,682	($130,485)	$27,925	($234,858)
Beginning Cash Reserves	$563,015	$558,677	$487,355	$531,490	$611,172	$480,687	$508,612
Ending Cash Reserves	$558,677	$487,355	$531,490	$611,172	$480,687	$508,612	$273,754
Ending Cash Reserves (unrestricted)	$558,677	$487,355	$531,490	$611,172	$480,687	$508,612	$273,754
Ending Bond Proceeds Balance							
Days of Working Capital (Unrestricted)	396	336	356	397	303	311	163

LYRB

ANALYSIS SUMMARY: SCENARIO 3: BASE RATE INCREASE (WITH DEBT)

FISCAL YEAR	2014	2015	2016	2017	2018	2019	2020
Base Rate Increase	0.0%	90.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Base Rate	$4.00	$7.60	$7.60	$7.60	$7.60	$7.60	$7.60
Total Operating Revenues	$570,136	$902,219	$908,968	$915,820	$922,683	$929,649	$936,627
Total Operating Expenditures	($514,351)	($529,782)	($545,675)	($562,045)	($578,907)	($596,274)	($614,162)
Total Non-Operating Revenues (Expenses)	$2,815	$43,543	$43,179	$44,894	$46,542	$48,027	$47,727
Net Revenues Available For Debt Service	$58,600	$415,980	$406,472	$398,668	$390,319	$381,402	$370,192
Total Storm Debt Service	($62,938)	($67,088)	($187,432)	($194,987)	($202,978)	($279,848)	($290,417)
COVERAGE RATIO	0.93	6.20	2.17	2.04	1.92	1.36	1.27
COVERAGE RATIO: w/o Impact Fees	0.93	5.59	1.95	1.83	1.71	1.21	1.12
SURPLUS REVENUES	($4,338)	$348,893	$219,040	$203,681	$187,341	$101,554	$79,775
Total Transfers In (Out)	-	-	-	-	-	-	-
Total CIP (Including 25% Depreciation)	-	($543,946)	($392,446)	($341,696)	($535,936)	($291,296)	($534,446)
Proposed Series 2016 Proceeds	-	-	$1,251,776	-	-	-	-
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Total Change in Cash Position	($4,338)	($195,053)	$1,078,370	($138,014)	($348,595)	($189,742)	($454,670)
Beginning Cash Reserves	$563,015	$558,677	$363,624	$1,441,994	$1,303,980	$955,385	$765,643
Ending Cash Reserves	$558,677	$363,624	$1,441,994	$1,303,980	$955,385	$765,643	$310,973
Ending Cash Reserves (unrestricted)	$558,677	$363,624	$582,664	$786,346	$955,385	$765,643	$310,973
Ending Bond Proceeds Balance		-	[illegible]	[illegible]			
Days of Working Capital (Unrestricted)	396	251	390	511	602	469	185

ANALYSIS SUMMARY: SCENARIO 3: BASE RATE INCREASE (WITH DEBT)

- Note: With the inclusion of proposed debt the impact fee could be increased to include growth related debt expenses.
- Scenarios 3 and 4 assume the impact fee is adjusted to include debt.
- Financing costs could add another $400 dollars to the impact fee.

SCENARIO 4: SHARED RATE INCREASE

- **Assumptions:**
  - 75 % Increase to the Storm Drain Base Rate
  - 25% Increase to EDUs in Subdrain
  - 25% Increase to EDUs outside Subdrain

FISCAL YEAR	2014	2015	2016	2017	2018	2019	2020
Storm Utility Rate Increase	0.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subdrain Utility (IN) Rate Increase	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subdrain Utility (Out) Rate Increase	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Charge/ESU/Month	$4.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00
Charge/EDU(IN)/Month	$6.00	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50
Charge/EDU(OUT)/Month	$2.00	$2.50	$2.50	$2.50	$2.50	$2.50	$2.50

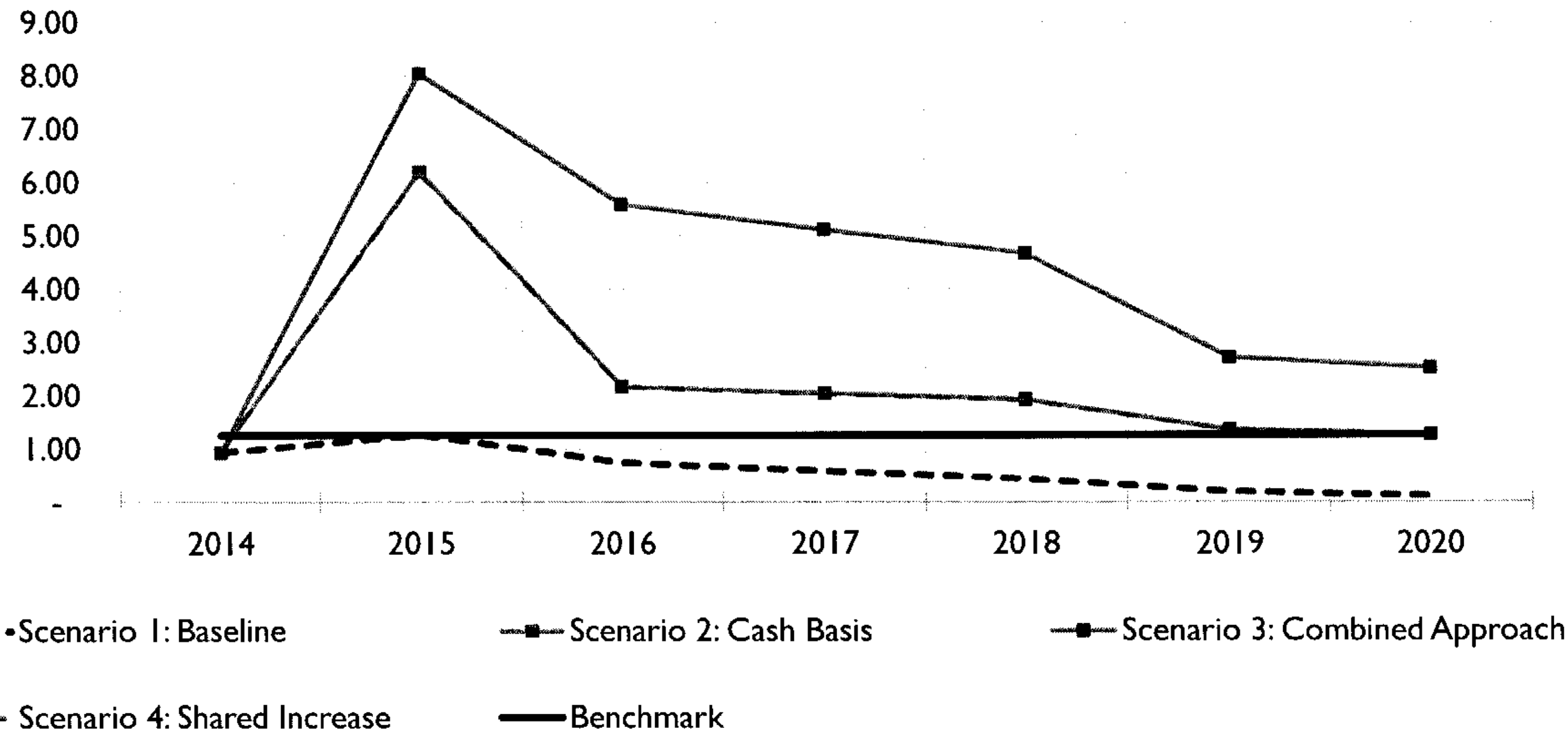
LYRB

ANALYSIS SUMMARY: SCENARIO 4: SHARED RATE INCREASE (WITH DEBT)

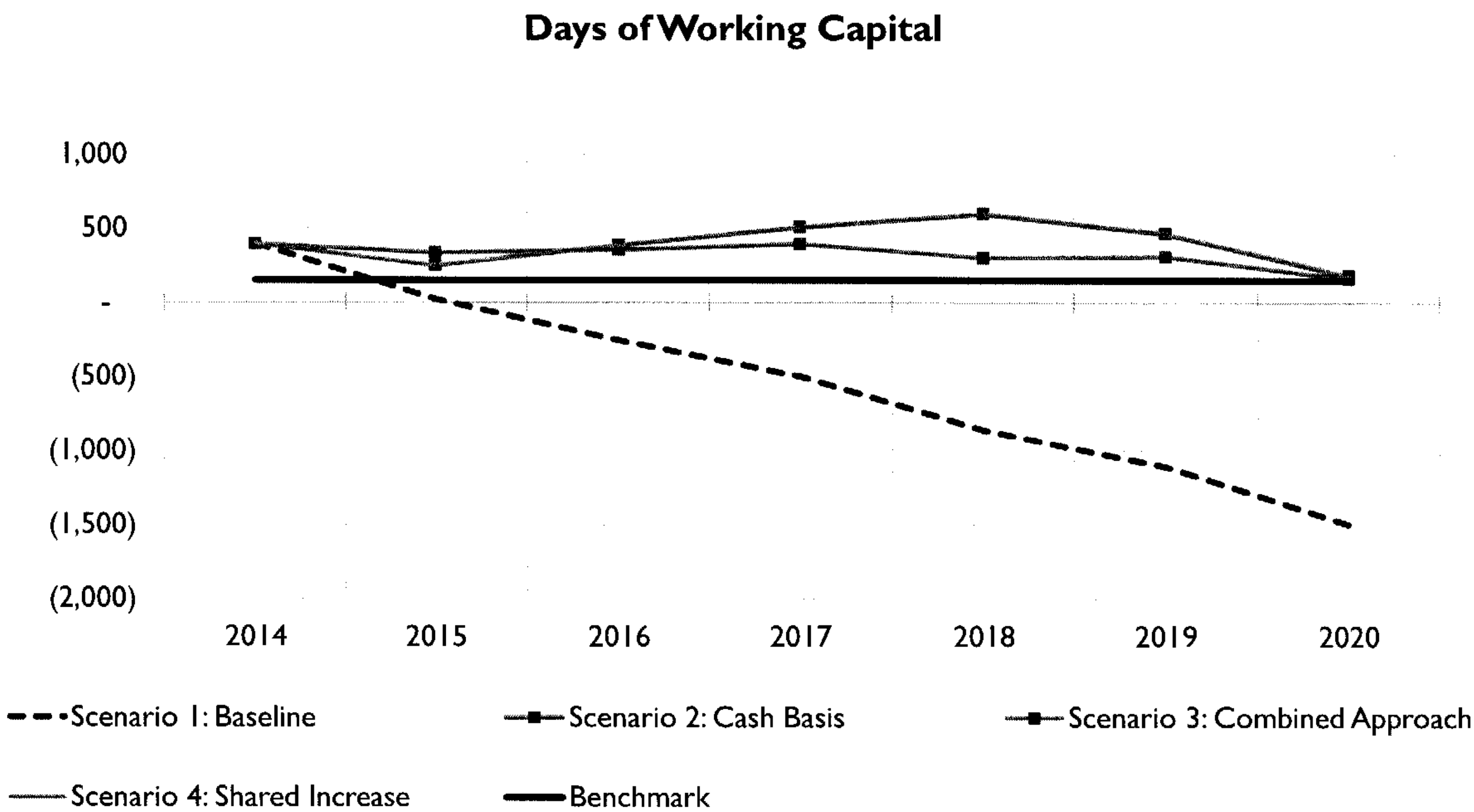
FISCAL YEAR	2014	2015	2016	2017	2018	2019	2020
Base Rate Increase	0.0%	75.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proposed Base Rate	$4.00	$7.00	$7.00	$7.00	$7.00	$7.00	$7.00
Total Operating Revenues	$570,136	$900,138	$906,872	$913,706	$920,554	$927,500	$934,462
Total Operating Expenditures	($514,351)	($529,782)	($545,675)	($562,045)	($578,907)	($596,274)	($614,162)
Total Non-Operating Revenues (Expenses)	$2,815	$43,543	$43,168	$44,873	$46,511	$47,984	$47,673
Net Revenues Available For Debt Service	$58,600	$413,899	$404,366	$396,534	$388,158	$379,210	$367,973
Total Storm Debt Service	($62,938)	($67,088)	($187,432)	($194,987)	($202,978)	($279,848)	($290,417)
COVERAGE RATIO	0.93	6.17	2.16	2.03	1.91	1.36	1.27
COVERAGE RATIO: w/o Impact Fees	0.93	5.56	1.94	1.82	1.70	1.20	1.12
SURPLUS REVENUES	($4,338)	$346,811	$216,934	$201,546	$185,179	$99,362	$77,556
Total Transfers In (Out)	-	-	-	-	-	-	-
Total CIP (Including 25% Depreciation)	-	($543,946)	($392,446)	($341,696)	($535,936)	($291,296)	($534,446)
Proposed Series 2016 Proceeds	-	-	$1,251,776	-	-	-	-
Proposed Series 20xx Proceeds	-	-	-	-	-	-	-
Total Change in Cash Position	($4,338)	($197,134)	$1,076,264	($140,149)	($350,756)	($191,933)	($456,889)
Beginning Cash Reserves	$563,015	$558,677	$361,543	$1,437,807	$1,297,658	$946,902	$754,969
Ending Cash Reserves	$558,677	$361,543	$1,437,807	$1,297,658	$946,902	$754,969	$298,080
Ending Cash Reserves (unrestricted)	$558,677	$361,543	$578,477	$780,024	$946,902	$754,969	$298,080
Ending Bond Proceeds Balance		-	[illegible]	[illegible]	-		
Days of Working Capital (Unrestricted)	396	249	387	507	597	462	177

ANALYSIS SUMMARY

Debt Service Coverage Ratio



ANALYSIS SUMMARY



Comparable Rates

Entity	Storm Utility Rate	Notes
West Bountiful	1.75	per Home, Commercial Calculated based on Imp. Surf.
Woods Cross	3.00	per ERU
North Salt Lake	4.00	per ERU (1 ERU = 3,900 SF imp. surf.)
Centerville Existing	4.00	per ESU (1 ESU = 3,800 SF imp. surf.)
West Jordan	4.02	per ERU
Syracuse	4.05	per Unit
Salt Lake City	4.49	per Unit (less than .25 acres)
Clearfield	4.61	per Unit
Draper	6.00	per ERU (Escalating to 9.00 per ERU by 2017)
Farmington	7.00	per Unit
Centerville Proposed	7.00	per ESU (1 ESU = 3,800 SF imp. surf.)
Kaysville	8.00	per ERU (4,000 sf imp. surf.)
South Jordan	8.50	per ERU (4,752 sf imp. surf.)

AFFORDABILITY

- An affordability index of 0.8% of Median Household Income (MHI) is used as a benchmark in this analysis, which is the affordability index for a combined annual water and sewer bill for an AA rated sewer or water utility bond.

- The annual water bill is still below 0.8%, even when the storm utility is added.

Affordability	
Centerville Median Household Income	$80,114
Estimate of Annual Storm Bill (Scenario 4 @ $14.50)	$174
Estimate of Annual Sewer Bill	$112
Estimate of Annual Water Bill	$306
Total Combined Annual Bill	**$592**
% of MHI	**0.74%**

ADDITIONAL CONSIDERATIONS

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No.

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

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

D City Manager Summary Memo of March 4, 2014 Meetings

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 1.

Short Title: Questions and answers from auditors regarding UTOPIA/UIA's Annual Audit Reports

Initiated By: City Council

Scheduled Time: 7:10

SUBJECT

RECOMMENDATION

Ask questions of the auditors--the firm of Keddington & Christensen-- regarding the FY 2013 audited financial reports for UTOPIA and UIA.

BACKGROUND

The City Council has invited the independent auditors for UTOPIA and UIA to attend this council meeting to answer questions about the most recent audited financial reports for these two entities. Those reports are attached. Staff have learned that Brent Christensen will attend for this purpose. If the Mayor or Council Members want to submit questions in advance to Steve or Blaine, those will be forwarded to Mr. Christensen.

ATTACHMENTS:

Description

- UIA Financial Statements June 30, 2013
- UIA June 30, 2013 Supplemental Reports
- UTOPIA Financial Statements June 30, 2013
- UTOPIA Supplemental Reports June 30, 2013

UTAH INFRASTRUCTURE AGENCY

FINANCIAL STATEMENTS

JUNE 30, 2013

UTAH INFRASTRUCTURE AGENCY
TABLE OF CONTENTS

K&C

Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Utah Infrastructure Agency
West Valley City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Infrastructure Agency, Utah (UIA), as of and for the year ended June 30, 2013, and the related notes to the 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 Utah Infrastructure Agency, Utah, as of June 30, 2013, 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.

Telephone (801) 590-2600
Fax (801) 265-9405

5292 So. College Dr., Suite 102
Salt Lake City, Utah 84123

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 November 27, 2013 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

November 27, 2013

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, 2013.

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. These cities have approved up to $65 million in bonds for the construction of the UIA network.

Highlights

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 will provide telecommunications services, support and management services as well as crucial infrastructure for the UIA network.

Over the period of our fiscal year, UIA added 1,645 residents and 282 businesses.Nineteen service providers—Beehive Communications, Brigham.net, Centracom, Fibernet, First Digital, Infowest, Integra Telecom, OneWire, SenaWave, SkyWire, SumoFiber, Syringa, Telesphere, Veracity, Voonami, WebWave, Windstream, XMission, and YipTel—were actively providing services and a total of 11,120 homes and businesses had subscribed to services at fiscal yearend 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 will also give primary attention to growing the number of business subscribers, offering services for small, medium, and enterprise-class firms.

With $16 million in stimulus funds awarded to UTOPIA by the American Reinvestment and Recovery Act (ARRA), and $8 million in supplementing funds from UIA, extensive portions of the middle mile fiber backbone have been completed in Centerville City, Layton City, Midvale City, Murray City, Orem City, and West Valley City. The project has focused on connecting nearly 400 Community Anchor Institutions (CAI) consisting of schools, libraries, medical and healthcare providers, public safety entities, community college locations, government offices, and other important institutions. This work has made the following possible:

- Fiber optic backbone cables have been placed throughout UIA member cities.
- Fifty-nine communication huts (Points of Interconnection) have been placed to better serve the residents throughout the UTOPIA/UIA network.
- Perry city offices now have a fiber connection supporting their office along with one of the schools in the city.
- More than 122 Community Anchor Institutions have been connected reducing the cost of their broadband data costs. More important; of those 122 community anchor institutions 40 of them are receiving new broadband service, only possible because of the network.
- There has been an additional 123 community anchor institutions end points such as water wells, sewer lift stations and traffic lights that are now connected.

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 assets 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 $3.4 million exceeded budget by $1.27 million. Total operating expense (expenses excluding interest and depreciation) of $458,000 was S127,000 below budget. Operating profit (EBITDA) for the year was $1.4 million better than budgeted. The net profit for the year was S298,781, which was better than budget by $3.2 million.

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

	2013	2012
Current and other assets	$ 8,680,467	$ 15,049,415
Capital assets	33,273,160	28,523,851
Total Assets	S 41,953,627	$ 43,573,266
Current and other liabilities	$ 8,994,228	S 7,418,279
Long-term liabilities outstanding	33,585,146	37,079,515
Total Liabilities	42,579,374	44,497,794
Net investment in capital assets	(2,764,104)	(1,047,946)
Restricted	1,158,840	-
Unrestricted	979,517	123,418
Net Position	(625,747)	(924,528)
Total Liabilities and Net Position	$ 41,953,627	$ 43,573,266

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

		2013		2012
Revenues:				
Operating revenues	$	3,440,460	$	2,352,589
Interest income		288,164		207,148
Other revenues		840,840		1,286,371
Total Revenues		4,569,464		3,846,108
Expenditures:				
Marketing		161,626		512,959
Professional services		41,484		15,695
Network operations		255,417		94,857
Depreciation		1,716,158		1,041,863
Bond interest and fees		2,095,998		2,189,026
Total Expenditures		4,270,683		3,854,400
Change in net position		298,781		(8,292)
Total net position, beginning of year		(924,528)		(916,236)
Total net position, end of year	$	(625,747)	$	(924,528)

Capital Assets and Debt Administration

UIA's capital assets, net of depreciation, were $33.3 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, 2013, UIA's outstanding debt amounted to $40.8 million. This is comprised of the revenue bonds and the capitalized IRU note payable.

Table 3 - Summary of UIA's Capital Assets at June 30, 2013:

		2013		2012
Construction in progress	$	918,369	$	3,067,622
Outside plant		13,354,893		8,128,057
Inside plant		706,453		296,711
Customer premise equipment		2,276,390		318,012
Intangible right		16,017,055		16,713,449
	$	33,273,160	$	28,523,851

UTAH INFRASTRUCTURE AGENCY
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Table 4 - Summary of UIA's Debt at June 30, 2013:

	2013	2012
Revenue bonds payable	$ 29,127,193	$ 29,804,943
Capital leases	10,873,272	12,415,549
Notes payable	798,754	-
	$ 40,799,219	$ 42,220,492

Final Comment

UIA member cities continue to build fiber optic infrastructure in its member cities, which UTOPIA began in 2004. UIA is continuously making efforts to provide connectivity to the residents of its member cities, through fiber-to-the-home initiatives. UIA's member cities ultimate goal is to have a state of the art fiber network to promote economic development in the business community and attract residents. This infrastructure, coupled with the UTOPIA network, will provide the "pipe" through which private companies can provide the latest, most competitive services to consumers.

BASIC FINANCIAL STATEMENTS

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION
June 30, 2013

Assets		
Current Assets:		
Cash	$	666,897
Restricted cash equivalents		2,728,701
Trade receivables, net		336,717
Inventory		162,042
Notes receivable		126,780
Total Current Assets		4,021,137
Noncurrent assets:		
Notes receivable		3,422,307
Capital Assets:		
Construction in progress		918,369
Property and equipment, net:		
Fiber optic network		32,354,791
Deferred charges cost of issuance		1,237,023
Total Noncurrent Assets		37,932,490
Total Assets	$	41,953,627
Liabilities		
Current Liabilities:		
Accounts payable	$	191,740
Liabilities payable from restricted assets		948,695
Accrued liabilities		18,554
Interest payable from restricted assets		621,166
Capital leases payable		6,529,073
Revenue bonds payable		685,000
Total Current Liabilities		8,994,228
Noncurrent Liabilities:		
Capital leases payable		4,344,199
Note payable		798,754
Revenue bonds payable		28,442,193
Total Liabilities		42,579,374
Net Position:		
Net Investment in capital assets		(2,764,104)
Restricted for:		
Debt service		789,593
Unspent bond proceeds		369,247
Unrestricted		979,517
Total Net Position		(625,747)
Total Liabilities and Net Position	$	41,953,627

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, 2013

Operating Revenues:	
Access fees	$ 1,779,298
Installations	1,294,842
Reconnections	366,320
Total Operating Revenues	3,440,460
Operating Expenses:	
Marketing	161,626
Professional services	41,484
Network	255,417
Depreciation	1,716,158
Total Operating Expenses	2,174,685
Operating Income	1,265,775
Nonoperating Revenues (Expenses):	
Interest income	288,164
Installation related capital contributions	840,840
Bond interest and fees	(2,095,998)
Total Nonoperating Revenues (Expenses)	(966,994)
Change In Net Position	298,781
Total Net Position, Beginning of Year	(924,528)
Total Net Position, End of Year	$ (625,747)

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

UTAH INFRASTRUCTURE AGENCY
STATEMENT OF CASH FLOWS
For The Year Ended June 30, 2013

Cash Flows From Operating Activities:		
Cash received from customers and users	$	2,575,610
Payments to suppliers		(1,687,836)
Net cash provided by operating activities		887,774
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets		(5,572,106)
Proceeds from installations		232,490
Bond interest and fees		(1,788,172)
Principal paid on Bond payable		(665,000)
Proceeds from notes payable addition		787,123
Principal paid on capital leases payable		(1,542,277)
Proceeds from sale of assets		13,546
Net cash used by capital and related financing activities		(8,534,396)
Cash Flows From Investing Activity:		
Interest income		288,164
Net cash provided by investing activity		288,164
Net Decrease in Cash and Cash Equivalents		(7,358,458)
Cash and Cash Equivalents, Beginning of Year		10,754,056
Cash and Cash Equivalents, End of Year	$	3,395,598

Reconciliation of operating loss to net cash from operating activities:

Operating income	S	1,265,775
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation expense		1,716,158
(Increase) decrease in assets		
Trade receivables, net		(90,886)
Inventory		(476,897)
Note receivable related to operating revenues		(774,264)
Increase (decrease) in liabilities		
Accounts payable		191,740
Liabilities payable from restricted assets		(962,706)
Accrued liabilities		18,554
Deferred Revenue		300
Net Cash Provided by Operating Activities	$	887,774

Supplemental Information

Noncash Investing, Capital, and Financing Activities:

Additions to capital assets includes inventory of $906,907.

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 consisted of 9 member cities at June 30, 2013. 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.

The following is a summary of the more significant policies.

The Reporting Entity

In evaluating how to define UIA for financial reporting purposes, management has considered all potential component units. The decision 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 UIA is able to exercise oversight responsibilities. UIA does not have any component units, nor is it a component unit of any primary government.

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. 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.

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.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

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 6 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 $105,634 of accounts receivable.

Inventories

Inventories are stated at the lower of cost or market 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.

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 $105,634.

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, 2013, UIA had the following deposits and investments:

Deposit and investment type	Fair Value
Cash on deposit	$ 666,897
Investments in Utah Public Treasurer Investment Funds	2,728,701
	$ 3,395,598

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, 2013, $357,855 of the $724,327 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 (UPTIF):
Interest rate risk. The risk that changes in the interest rate will have an adverse affect on the fair value of an investment. UIA's investments in UPTIF 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, 2013 the UPTIF 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 UPTIF 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 UPTIF has no custodial credit risk.

UTAH INFRASTRUCTURE AGENCY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 RESTRICTED CASH EQUIVALENTS

Restricted cash equivalents consist of the following:

Unspent 2011 A&B revenue bond proceeds	$ 1,317,942
Debt service	1,410,759
Total restricted cash equivalents	2,728,701
Restricted cash equivalents - current	(2,728,701)
Noncurrent portion of restricted cash equivalents	$ -

NOTE 4 PROPERTY AND EQUIPMENT

The following summarizes UIA's property and equipment as of June 30, 2013:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Construction in progress	$ 3,067,622	$ -	$ -	$ (2,149,253)	$ 918,369
Total capital assets, not being depreciated	3,067,622	-	-	(2,149,253)	918,369
Capital assets, being depreciated:					
Outside plant	7,154,695	4,743,903		2,149,253	14,047,851
Inside plant	370,889	660,533	-	-	1,031,422
Customer premise equipment	1,568,748	1,061,031	-	-	2,629,779
Intangible right	17,409,843	-	-	-	17,409,843
Total capital assets, being depreciated	26,504,175	6,465,467	-	2,149,253	35,118,895
Less accumulated depreciation:					
Outside plant	(185,705)	(507,253)	-	-	(692,958)
Inside plant	(74,178)	(250,791)	-	-	(324,969)
Customer premise equipment	(91,669)	(261,720)	-	-	(353,389)
Intangible right	(696,394)	(696,394)	-	-	(1,392,788)
Total accumulated depreciation	(1,047,946)	(1,716,158)	-	-	(2,764,104)
Total capital asset, net of accumulated depreciation	25,456,229	4,749,309	-	2,149,253	32,354,791
Property and Equipment, net	$ 28,523,851	$ 4,749,309	S -	$ -	$ 33,273,160

Depreciation expense of S1,716,158 was charged to operating expense for the year ended June 30, 2013.

NOTE 5 LONG-TERM DEBT

The following is a summary of the changes in long-term debt obligations for the year ended June 30, 2013.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds					
Series 2011A	S 21,095,000	$ -	$ -	S 21,095,000	$ -
Series 2011B	8,405,000	-	(665,000)	7,740,000	685,000
Original Issue Premium	304,943	-	(12,750)	292,193	-
Total Revenue Bonds	29,804,943	-	(677,750)	29,127,193	685,000
Capital leases					
UTOPIA IRU	12,415,549	-	(1,542,277)	10,873,272	6,529,073
Notes payable					
Pledging Members	-	798,754	-	798,754	-
Total Long-Term Debt	$ -	$ 798,754	$ (2,220,027)	$ 40,799,219	$ 7,214,073

Revenue Bonds

Tax-exempt Telecommunications and Franchise Revenue Bonds, Series 2011A, original issue of $21,095,000, principal payments due in annual installments beginning October 2022, interest payments due semi-annually at 5.0% to 5.4%, with the final payment due October 2036. The bonds were issued to finance UIA's infrastructure construction and acquisition of the UTOPIA Indefeasible Right of Use.	S 21,095,000
Taxable Telecommunications and Franchise Revenue Bonds, Series 2011B original issue of $8,405,000, principal payments due in annual installments beginning October 2012, interest payments due semi-annually at 3.2% to 5.45%, with the final payment due October 2022 The bonds were issued to finance UIA's infrastructure construction and acquisition of the UTOPIA Indefeasible Right of Use.	7,740,000
Total Revenue Bonds	28,835,000
Less current portion	(685,000)
Noncurrent portion	S 28,150,000

NOTE 5 LONG-TERM DEBT (Continued)

The following summarizes UIA's revenue bonds debt service requirements as of June 30, 2013:

Year	Principal	Interest	Total
2014	$ 685,000	$ 1,437,922	$ 2,122,922
2015	710,000	1,415,602	2,125,602
2016	730,000	1,392,562	2,122,562
2017	755,000	1,368,802	2,123,802
2018	775,000	1,340,447	2,115,447
2019-2023	4,470,000	6,092,515	10,562,515
2024-2028	5,730,000	4,801,250	10,531,250
2029-2033	7,460,000	3,057,713	10,517,713
2034-2037	7,520,000	835,688	8,355,688
	$ 28,835,000	$ 21,742,501	$ 50,577,501

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). Because the terms and options contained in the lease have effectively created a financing arrangement, UIA is required to record this transaction as a capital lease. Lease payments are paid quarterly beginning June 2012 including imputed interest at 5.5%. The payments are $1,462,500 for four quarters, $1,100,000 for four quarters, $800,000 for eight quarters, and $750,000 for four quarters. The capitalized cost of fiber optic network was $17,409,843. Beginning in December 2012 UTOPIA's management waived the right to receive payment from UIA until the payments amount can be renegotiated, interest continued to accrue during the waiver period. Negotiations are expected to be finalized no later than December 31, 2013.	S 10,873,272
Less current portion	(6,529,073)
Noncurrent portion	$ 4,344,199

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

2014	$ 6,529,073
2015	3,150,000
2016	2,250,000
Total minimum lease payments	11,929,073
Less amount representing interest	(1,055,801)
Present value of net minimum lease payments	$ 10,873,272

NOTE 6 INTERLOCAL COOPERATIVE AGREEMENT

UIA has entered into an Interlocal Cooperative Agreement with Utah Telecommunication Open Infrastructure Agency (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 term of the amended agreement is for five years starting July 2010. UIA recorded expenditures to UTOPIA of $255,417 for the year ended June, 30, 2013. Amounts owed to UTOPIA at June 30, 2013 relating to the before mentioned expenditures totaled $111,834.

NOTE 7 PLEDGING MEMBERS LIABILITY

The 8 Pledging Members of UIA have pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements. UIA is required by the Series 2011 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 franchise tax revenues in the maximum annual principal allocated to each city as set forth below:

Pledging Member	2013 Pledge & Paid	2014 Share of Total Max. Pledge	2014 Maximum Pledge *
Brigham City	$ -	0.62%	$ 31,831
Centerville City	23,778	3.63%	186,737
Layton City	142,265	18.20%	937,272
Lindon City	55,810	3.35%	172,516
Midvale City	73,615	6.60%	339,988
Murray City	-	13.40%	690,241
Orem City	268,605	23.76%	1,223,786
West Valley City	223,050	30.44%	1,568,781
	$ 787,123	100.00%	$ 5,151,152

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

NOTE 8 SUBSEQUENT EVENTS

On July 16, 2013, the UIA issued Telecommunications and Franchise Tax Revenue Bonds, Series 2013, in the amount of $11,205,000. Interest rates range from 2.0% to 5.25% for the series 2013 bonds. The Series 2013 bond mature on October 15, 2023. The bonds were issued to finance the costs of acquisition, construction and installation of telecommunication lines; marketing costs; fund reserves; fund capitalized interest; and pay costs of issuance.

UTAH INFRASTRUCTURE AGENCY

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UTAH INFRASTRUCTURE AGENCY
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS
For The Fiscal Year Ended June 30, 2013

K&C

Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

**INDEPENDENT AUDITORS' 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***

Board of Directors
Utah Infrastructure Agency
West Valley City, 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 Infrastructure Agency (UIA), as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated November 27, 2013.

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 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 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*.

Telephone (801) 590-2600
Fax (801) 265-9405
5292 So. College Dr., Suite 102
Salt Lake City, Utah 84123

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

November 27, 2013

K&C

Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITOR'S REPORT
ON STATE OF UTAH
LEGAL COMPLIANCE AUDIT GUIDE

Board of Directors
Utah Infrastructure Agency
West Valley City, Utah

We have audited the Utah Infrastructure Agency's (UIA) compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2013. The general compliance requirements applicable to UIA are identified as follows:

Cash Management
Fund Balance
Government Records Access Management Act (GRAMA)
Conflicts of Interest

UIA did not receive any major assistance programs from the State of Utah during the year ended June 30, 2013.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of UIA's management.

Auditor's Responsibility

Our responsibility is to express an opinion on UIA's compliance based on our audit.

We conducted our audit 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 of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on UIA and its major programs 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. Our audit does not provide a legal determination of UIA's compliance with those requirements.

Opinion

In our opinion, UIA complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 2013-1.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of UIA is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered UIA's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the UIA's internal control over compliance.

A d*eficiency in internal control over compliance* 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, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

UIA's Response to Findings

UIA's response to the findings identified in our audit is described in the accompanying letter to management. UIA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 and 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

November 27, 2013

UTAH INFRASTRUCTURE AGENCY
SCHEDULE OF FINDING & RECOMMENDATION
For the Fiscal Year Ended June 30, 2013

State of Utah Legal Compliance Finding:

2013-1 Net Position Deficit

Finding
UIA had deficit net position in the amount of $625,747. The Utah State Code 10-6-117 requires UIA to maintain positive net position.

Recommendation
We recommend that UIA work to reverse this net position deficit and comply with Utah State Code 10-6-117 on positive net position.

RESPONSE TO SCHEDULE OF FINDING & RECOMMENDATION
For the Fiscal Year Ended June 30, 2013

State of Utah Legal Compliance Finding:

Finding

UIA had deficit net position in the amount of $625,747. The Utah State Code 10-6-117 requires UIA to maintain positive net position.

Recommendation

We recommend that UIA work to reverse this net position deficit and comply with Utah State Code 10-6-117 on positive net position.

Response

UIA does have a net position deficit as stated above. The financial statements reflect conditions typical of a capital-intensive start-up enterprise in the first years of its existence. For the current fiscal year, UIA experienced a positive change in net position of $298,781. This resulted in a reduction of the net position deficit of 32%.

UIA will continue to add residential and business customers, facilitated by the construction activity that took place during the year. In addition, UIA will continue to leverage the stimulus-facilitated build, which will increase revenues for the entity.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY

FINANCIAL STATEMENTS

JUNE 30, 2013

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Utah Telecommunication Open Infrastructure Agency
West Valley City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Telecommunication Open Infrastructure Agency, Utah (UTOPIA), as of and for the year ended June 30, 2013, and the related notes to the 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 Utah Telecommunication Open Infrastructure Agency, Utah, as of June 30, 2013, 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 November 27, 2013 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

November 27, 2013

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, 2013.

Description of Business

UTOPIA is a consortium of 15 Utah cities, created to provide construction and operations for a wholesale 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, wireless or satellite systems. Fiber is currently used for the backbone of the Internet and other high-demand applications, but has not been widely implemented over "the last mile" into homes and businesses. UTOPIA is laying the fiber-optic cable necessary to connect each member city and the homes and businesses within each city. UTOPIA's fiber-optic cable is laid both underground and above ground, according to existing utilities infrastructure. Other elements of the network include conduits, inner ducts, fiber strands, splices, switches, transmitters, terminals, internal power sources and all other items necessary to operate the network.

Highlights

As of the end of June, 2013, more than 2,100 miles of fiber cable have been placed within the boundaries of the eleven members cities. Within the 84 production footprints there are approximately 65,000 addresses, of which approximately 43,700 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. Nineteen service providers—Beehive Communications, Brigham.net, Centracom, Fibernet, First Digital, Infowest, Integra Telecom, OneWire, SenaWave, SkyWire, SumoFiber, Syringa, Telesphere, Veracity, Voonami, WebWave, Windstream, XMission, and YipTel—were actively providing services and a total of 11,120 homes and businesses had subscribed to services at fiscal yearend on the UTOPIA/UIA network.

In August of 2010, UTOPIA was awarded $16 million in funding from the American Reinvestment and Recovery Act (ARRA). The grant was awarded to connect nearly 400 Community Anchor Institutions (CAI) consisting of schools, libraries, medical and healthcare providers, public safety entities, community college locations, government offices, and other important community institutions in sections of Perry, Payson, Midvale, Murray, Centerville, Layton, Orem, and West Valley City.

This "stimulus" project has made the following possible:

- Fiber optic backbone cables have been placed throughout UTOPIA member cities.
- Fifty-nine communication huts (Points of Interconnection) have been placed to better serve the residents throughout the UTOPIA/UIA network.
- Perry city offices now have a fiber connection supporting their office along with one of the schools in the city.
- More than 122 Community Anchor Institutions have been connected reducing the cost of their broadband data costs. More important; of those 122 community anchor institutions 40 of them are receiving new broadband service, only possible because of the network.
- There has been an additional 123 community anchor institutions end points such as water wells, sewer lift stations and traffic lights that are now connected.

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.

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.

Operating revenues for the fiscal year were about $298,000 below budgeted levels. Operating expenses (expenses excluding interest and depreciation) were below budget by $594,000. Operating profit (EBITDA) was higher than projected. Depreciation and amortization expense were below projected levels, as was interest expense. Net income was also better than budget.

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

	2013	2012
Current and other assets	$ 6,827,341	$ 5,731,003
Capital assets	83,608,698	81,091,747
Total Assets	90,436,039	86,822,750
Deferred outflow of resources	74,446,652	109,976,054
Total Assets and Deferred Outflow of Resources	$ 164,882,691	$ 196,798,804
Current and other Liabilities	$ 2,694,697	$ 3,099,029
Long-term liabilities outstanding	308,091,217	326,351,683
Total Liabilities	310,785,914	329,450,712
Net investment in capital assets	(42,922,882)	(38,094,141)
Restricted	105,358	-
Unrestricted	(103,085,699)	(94,557,767)
Net Position	(145,903,223)	(132,651,908)
Total Liabilities & Net Position	$ 164,882,691	$ 196,798,804

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

	2013	2012
Revenues:		
Operating revenues	$ 5,581,355	$ 5,192,863
Interest income	8,487	6,553
Other revenues	7,109,047	6,544,643
Total Revenues	12,698,889	11,744,059
Expenditures:		
General and administrative	6,253,959	5,730,661
Network	1,737,776	1,935,636
Depreciation	4,828,741	4,752,106
Bond interest and fees	13,129,728	11,859,002
Total Expenditures	25,950,204	24,277,405
Change in net position	(13,251,315)	(12,533,346)
Total net position, beginning of year	(132,651,908)	(120,118,562)
Total net position, end of year	$ (145,903,223)	$ (132,651,908)

Capital Assets and Debt Administration

UTOPIA's capital assets, net of depreciation, were $83.6 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, 2013, UTOPIA's outstanding debt amounted to $227.9 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

	2013	2012
Construction in progress	$ 6,018,236	$ 9,448,551
Outside plant	68,710,072	61,988,228
Inside plant	913,558	1,259,475
Customer premise equipment	6,555,304	6,797,856
Intangible right	1,183,675	1,248,611
Office furniture and equipment	188,850	278,178
Vehicles	39,003	70,848
	$ 83,608,698	$ 81,091,747

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

Table 4 - Summary of the Agency's Debt

	2013	2012
Revenue bonds payable	$ 184,996,270	$ 185,000,000
Capital leases	58,076	85,450
Notes payable	42,828,783	29,739,831
	$ 227,883,129	$ 214,825,281

Final Comment

UTOPIA began as a visionary effort by 15 Utah cities to provide their citizens a state-of-the-art broadband network. The cities are continuously striving to make the original vision a reality. The project is facilitating economic development and improving the quality of life of residents throughout UTOPIA member cities.

Launched in 2004, UTOPIA has been a pioneer of municipal broadband efforts in the United States. From its inception this project has faced fierce opposition from the incumbent telecoms but the cities followed the leadership of Franklin D. Roosevelt's:

> *"I therefore lay down the following principle: That where a community a city or county or a district is not satisfied with the service rendered or the rates charged by the private utility, it has the undeniable basic right, as one of its functions of Government, one of its functions of home rule, to set up, after a fair referendum to its voters has been had, its own governmentally owned and operated service. That right has been recognized in a good many of the States of the Union. Its general recognition by every State will hasten the day of better service and lower rates. It is perfectly clear to me, and to every thinking citizen, that no community which is sure that it is now being served well, and at reasonable rates by a private utility company, will seek to build or operate its own plant. But on the other hand the very fact that a community can, by vote of the electorate, create a yardstick of its own, will, in most cases, guarantee good service and low rates to its population."*

FDR's principles are starting to resonate in the U.S. and as of 2013; there are 89 communities with a publicly owned fiber-to-the-home networks.

There is a tremendous need for faster broadband speeds because of the explosion of connected devices, streaming HD video, cloud computing in both the business and residential sector. UTOPIA's network is ready for these demands by being one of the first gigabit capable networks. This means that UTOPIA can provide speeds that are 100x faster than the U.S. average of 8.7 Mbps. These efforts by UTOPIA and others have helped Utah claim the title of the "Fastest in the West" and the 5th fastest state in the country for broadband speeds. This also has helped Utah to be named the "Best State for Business" by Forbes magazine for the third straight year because of its availability to low cost connectivity.

From its inception, there has been political fodder about UTOPIA, but throughout it all, the cities vision remains steadfast: to provide connectivity for their residents and businesses.

BASIC FINANCIAL STATEMENTS

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION
June 30, 2013

Assets and Deferred Outflows		
Current Assets:		
Cash		$ 258,282
Restricted cash equivalents		1,196,746
Trade receivables, net		817,921
Inventory		1,458,151
Prepaid expenses		123,657
Total Current Assets		3,854,757
Noncurrent assets:		
Capital Assets:		
Construction in progress		6,018,236
Property and equipment, net:		
Fiber optic network	$ 77,362,609	
Office furniture and equipment	188,850	
Vehicles	39,003	
Total Property and Equipment, net		77,590,462
Total Capital Assets		83,608,698
Other Assets:		
Deposits		10,686
Deferred charge on refunding		2,046,177
Deferred charge of costs of issuance on bonds		915,721
Total Other Assets		2,972,584
Total Assets		90,436,039
Deferred Outflows:		
Deferred interest rate swaps		74,446,652
Total Deferred Outflows		74,446,652
Total Assets and Deferred Outflows		$ 164,882,691

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

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
STATEMENT OF NET POSITION (Continued)
June 30, 2013

Liabilities	
Current Liabilities:	
Accounts payable	$ 624,530
Accrued liabilities	106,490
Compensated absences	153,806
Interest payable from restricted assets	1,091,388
Capital leases payable	28,471
Note payable	8,950
Deferred revenue	655,000
Revenue bonds payable	26,062
Total Current Liabilities	2,694,697
Noncurrent Liabilities:	
Compensated absences	123,575
Capital leases payable	29,605
Note payable	42,819,833
Deferred revenue	5,701,344
Revenue bonds payable	184,970,208
Interest rate swaps liability	74,446,652
Total Liabilities	310,785,914
Net Position:	
Net investment in capital assets	(42,922,882)
Restricted for:	
Debt service	105,358
Unrestricted	(103,085,699)
Total Net Position	(145,903,223)
Total Liabilities and Net Position	$ 164,882,691

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, 2013

Operating Revenues:	
Access fees	$ 4,541,498
Fiber lease revenue	655,000
Installation revenue	99,209
Miscellaneous operating revenue	285,648
Total Operating Revenues	5,581,355
Operating Expenses:	
Payroll	4,452,649
Material and supplies	736,759
Professional services	1,064,551
Network	1,737,776
Depreciation	4,828,741
Total Operating Expenses	12,820,476
Operating Loss	(7,239,121)
Nonoperating Revenues (Expenses):	
Interest income	8,487
Federal stimulus grant revenue	7,109,047
Bond interest and fees	(13,129,728)
Total Nonoperating Revenues (Expenses)	(6,012,194)
Change In Net Position	(13,251,315)
Total Net Position, Beginning of Year	(132,651,908)
Total Net Position, End of Year	$ (145,903,223)

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, 2013

Cash Flows From Operating Activities:	
Cash received from customers and users	$ 8,413,326
Payments to suppliers	(4,529,989)
Payments to employees	(4,671,599)
Net cash used by operating activities	(788,262)
Cash Flows From Capital and Related Financing Activities:	
Purchase of property and equipment	(6,110,024)
Proceeds from sale of inventory to outside parties	7,975
Proceeds from federal stimulus grant	6,973,592
Proceeds from note payable	12,865,931
Bond interest and fees	(12,766,944)
Principal paid on capital leases, notes payable, and bonds payable	(39,964)
Net cash provided by capital and related financing activities	930,566
Cash Flows From Investing Activity:	
Interest income	8,487
Net cash provided by investing activity	8,487
Net Increase in Cash and Cash Equivalents	150,791
Cash and Cash Equivalents, Beginning of Year	1,304,237
Cash and Cash Equivalents, End of Year	$ 1,455,028

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, 2013

Reconciliation of operating loss to net cash from operating activities:

Operating loss	S	(7,239,121)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization expense		4,828,741
(Increase) decrease in assets		
Trade receivables, net		1,666,044
Inventory		(766,817)
Prepaid expenses		8,935
Increase (decrease) in liabilities		
Accounts payable		(233,021)
Accrued liabilities		(178,295)
Compensated absences		(40,655)
Deferred Revenue		1,165,927
Net Cash Used by Operating Activities	$	(788,262)

Supplemental Information

Noncash Investing, Capital, and Financing Activities:

Additions to capital assets includes inventory of $1,243,644.

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, 2013. 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.

The following is a summary of the more significant policies.

The Reporting Entity

In evaluating how to define UTOPIA for financial reporting purposes, management has considered all potential component units. The decision 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.

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.

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.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

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 6 year life.

Retirement Plans

UTOPIA participates in three retirement plans. UTOPIA participates in a defined contribution plan, in the Utah Retirement System, and a union pension plan. Retirement plan costs are combined with employee benefits and are recorded on an accrual basis. It is UTOPIA's policy to fund the retirement plan costs as they are incurred.

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.

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 $36,339 of accounts receivable.

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 $36,339.

Inventories

Inventories are stated at the lower of cost or market 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.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

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.

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, 2013, UTOPIA had the following deposits and investments:

Deposit and investment type		Fair Value
Cash on deposit	$	258,282
Investments in Utah Public Treasurer's Investment Funds		1,196,746
	$	1,455,028

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, 2013, $86,129 of the $340,301 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 (UPTIF):

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 UPTIF 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, 2013 the UPTIF 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 UPTIF is not subject to a concentration of credit risk.

NOTE 2 CASH AND INVESTMENTS (Continued)

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 UPTIF has no custodial credit risk.

NOTE 3 RESTRICTED CASH EQUIVALENTS

Restricted cash equivalents consist of the following:

Debt service	$ 1,196,746
Restricted cash equivalents - current	(1,196,746)
Noncurrent portion of restricted cash equivalents	$ -

NOTE 4 PROPERTY AND EQUIPMENT

The following summarizes UTOPIA's property and equipment as of June 30, 2013:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, not being depreciated:					
Construction in progress	$ 9,448,551	$ -	$ -	$ (3,430,315)	$ 6,018,236
Total capital assets, not being depreciated	9,448,551	-	-	(3,430,315)	6,018,236
Capital assets, being depreciated:					
Outside plant	79,038,601	6,645,139	-	3,430,315	89,114,055
Inside plant	14,388,140	435,920	-	-	14,824,060
Customer premise equipment	13,032,295	245,189	-	-	13,277,484
Intangible right	1,624,040	-	-	-	1,624,040
Office furniture and equipment	1,192,660	19,444	-	-	1,212,104
Vehicles	461,601	-	-	-	461,601
Total capital assets, being depreciated	109,737,337	7,345,692	-	3,430,315	120,513,344
Less accumulated depreciation:					
Outside plant	(17,050,373)	(3,353,610)	-	-	(20,403,983)
Inside plant	(13,128,665)	(781,837)	-	-	(13,910,502)
Customer premise equipment	(6,234,439)	(487,741)	-	-	(6,722,180)
Intangible right	(375,429)	(64,936)	-	-	(440,365)
Office furniture and equipment	(914,482)	(108,772)	-	-	(1,023,254)
Vehicles	(390,753)	(31,845)	-	-	(422,598)
Total accumulated depreciation	(38,094,141)	(4,828,741)	-	-	(42,922,882)
Total capital asset, net of accumulated depreciation	71,643,196	2,516,951	-	3,430,315	77,590,462
Property and Equipment, net	$ 81,091,747	$ 2,516,951	$ -	$ -	$ 83,608,698

Depreciation and amortization expense of $4,828,741 was charged to operating expense for the year ended June 30, 2013.

NOTE 5 LONG-TERM DEBT

The following is a summary of the changes in long-term debt obligations for the year ended June 30, 2013.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds					
2011A tax exempt bonds	$ 110,000,000	$ -	$ (3,730)	$ 109,996,270	$ 24,035
2011B taxable bonds	75,000,000	-	-	75,000,000	2,027
Total revenue bonds	185,000,000	-	(3,730)	184,996,270	26,062
Capital leases					
Payson City	85,450	-	(27,374)	58,076	28,471
Total capital leases	85,450	-	(27,374)	58,076	28,471
Notes payable					
Pledging members	29,490,195	13,097,812	-	42,588,007	-
Non-pledging members	135,750	-	-	135,750	-
Layton RDA	113,886	-	(8,860)	105,026	8,950
Total notes payable	29,739,831	13,097,812	(8,860)	42,828,783	8,950
Compensated absences	318,036	-	(40,655)	277,381	153,805
Total Long-Term Debt	$ 215,143,317	$ 13,097,812	$ (80,619)	$ 228,160,510	$ 217,288

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 times 67%, which was .19465% at June 30, 2013, 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.	$ 109,996,270
Tax-Exempt Adjustable Rate Telecommunications and Sales Tax Revenue Refunding Bonds, Series 2011A, 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 .2731% at June 30, 2013, 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.	75,000,000
Total Revenue Bonds	184,996,270
Less current portion	(26,062)
Noncurrent portion	$ 184,970,208

NOTE 5 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, 2013 for the 2011 A and 2011 B debt service is S51,317 and $27,254, respectively and is included in restricted cash equivalents.

At June 30, 2013, 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.

Year	Principal	Interest	Hedging Derivative, net	Total
2014	S 26,062	$ 3,641,969	$ 9,344,380	$ 13,012,411
2015	167,143	3,778,842	9,340,465	13,286,450
2016	401,886	3,801,304	9,327,809	13,530,999
2017	702,005	3,803,109	9,301,832	13,806,946
2018	996,501	3,812,082	9,260,637	14,069,220
2019-2023	10,433,076	19,126,238	45,102,417	74,661,731
2024-2028	23,018,748	18,056,177	41,034,492	82,109,417
2029-2033	41,142,711	15,244,392	33,220,449	89,607,552
2034-2038	69,553,342	9,876,923	19,657,362	99,087,627
2039-2040	38,554,796	1,646,673	2,242,883	42,444,352
	$ 184,996,270	S 82,787,709	$ 187,832,726	$ 455,616,705

Capital Leases

Capital leases consist of the following:

UTOPIA is obligated under a lease for the use of a fiber optic network from Payson City. Because the terms and options contained in the lease have effectively created a financing arrangement, UTOPIA is required to record this transaction as a capital lease. Lease payments are S30,792 each year including imputed interest at 4%. The capitalized cost of fiber optic network was $259,739 with accumulated depreciation of $78,788.	$ 58,076
	58,076
Less current portion	(28,471)
Noncurrent portion	$ 29,605

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

NOTE 5 LONG-TERM DEBT (Continued)

Capital Leases (Continued)

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

Year		Payments
2014	$	30,792
2015		30,792
Total minimum lease payments		61,584
Less amount representing interest		(3,508)
Present value of net minimum lease payments	$	58,076

Note Payable

The notes payable consist 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 0.5% at June 30, 2013. These debts are subordinate to the Series 2011 A & B Telemmunications Special Revenue and Refunding Bonds and therefore will not be required to be paid back until that obligation is fulfilled.	$	42,588,008
Amounts owed to non-pledging members. These amounts will be paid when UTOPIA begins to build the network in the respective member's city. Management does not anticipate making any payments in the next fiscal year.		135,750
Amount owing to Layton City Redevelopment Agency for the development of certain fiber optic infrastructure improvements. Principal and interest payments of $10,000 due annually beginning January 1, 2012 until January 2025. Interest at 1.0%.		105,025
Total Note Payable		42,828,783
Less current portion		(8,950)
Noncurrent portion	$	42,819,833

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

Year		Principal		Interest		Total
2014	$	8,950	$	1,050	$	10,000
2015		9,039		961		10,000
2016		9,130		870		10,000
2017		9,221		779		10,000
2018		9,313		687		10,000
2019-2023		47,981		2,020		50,001
2024-2025		11,392		129		11,521
	$	105,026	$	6,496	$	111,522

NOTE 6 RETIREMENT PLANS

Plan Description

UTOPIA contributes to the Local Governmental Noncontributory Tier 1 Retirement System (Noncontributory System) and the Local Government Contributory Tier 2 Retirement System (Contributory System) which are cost sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the State and School Contributory Retirement System and State and School Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy

Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong. UTOPIA is required to contribute 16.04% of the covered salary to the Noncontributory System and 12.74% to the Contributory System. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

UTOPIA's contribution to the Noncontributory System for the years ending June 30, 2013, 2012, and 2011 were $394,802, $326,552, and $182,201, respectively. UTOPIA's contribution to the Contributory System for the year ending June 30, 2013 and 2012 was 45,759 and $22,017. The contributions were equal to the required contributions for each year.

UTOPIA is legally obligated to contribute to the retirement systems as long as they have employees meeting membership requirements.

UTOPIA contributes to a non-contributory defined contribution retirement benefit plan covering substantially all employees. Currently all of the assets and income of the 457 Plan are held in trust by the plan administrator for the exclusive benefit of the participants or their beneficiaries rather than as assets of UTOPIA. Employer contributions under this plan during the years ended June 30, 2013, 2012, and 2011, were $24,963, $24,957, and $25,945, respectively.

UTOPIA contributes to a defined contribution deferred compensation plan administered by the Utah Retirement Systems under the Internal Revenue Code Section 401(k) for some employees covered by the State's contributory retirement plans. The plan, available to all permanent full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. UTOPIA's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of contribution. UTOPIA participates at 2.41% of eligible salary. The rate of participation is determined by URS. During the year ended June 30, 2013 and 2012, contributions totaling $25,188 and $6,991, respectively were made to the plan by UTOPIA.

UTOPIA contributes to a union pension plan. Contributions are based upon hours worked by employees covered under an agreement and are funded on a current basis. Employer contributions to the plan during the year ended June 30, 2013, 2012, and 2011 were $38, $23,710, and $87,700, respectively.

NOTE 7 OPERATING LEASE

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 $489,473. These leases range from 3 years to 20 years. Total remaining minimum lease payments at June 30, 2013 are as follows:

2014	$	427,276
2015		203,302
2016		182,945
2017		162,202
2018		147,202
2019-2023		151,010
2024-2026		27,455
	$	1,301,392

NOTE 8 COMMITMENTS AND CONTRACTS

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 term of the amended agreement is for five years starting July 2010. UTOPIA received recorded revenue from UIA of $260,568 for the year ended June, 30, 2013. Amounts receivable from UIA at June 30, 2013 relating to the before mentioned revenue totaled $111,834.

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. This will be paid to UTOPIA quarterly for five years beginning June 2011. The first four payments are $1,462,500, the next four payments are $1,100,000, the next eight payments are $800,000, the last four payments are $750,000. 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. Beginning December 2012, UTOPIA's management signed a good-faith agreement with UIA where-in the payments on the IRU will be postponed until the payment schedule can be renegotiated. Interest continues to accrue during the waiver period. Negotiations are expected to be finalized no later than December 31, 2013. The unpaid balance of the Interlocal Cooperative Indefeasible Right to use Agreement at June 30, 2013 was $10,873,272.

NOTE 9 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 2013. Any amounts paid by Pledging Members to UTOPIA will be a loan to be repaid by UTOPIA.

Pledging Member	2013 Pledged & Paid	2014 Share of Total Max. Pledge	2014 Maximum Pledge *	Yearly Increase
Brigham City	$ 430,756	3.35%	$ 438,640	2%
Centerville City	428,410	3.33%	436,251	2%
Layton City	2,150,176	16.71%	2,189,530	2%
Lindon City	395,785	3.08%	403,029	2%
Midvale City	779,998	6.06%	794,274	2%
Murray City	1,583,543	12.30%	1,612,526	2%
Orem City	2,807,596	21.81%	2,858,983	2%
Payson City	259,920	2.05%	259,920	-
Perry City	105,670	0.82%	107,604	2%
Tremonton City	325,000	2.53%	330,948	2%
West Valley City	3,599,079	27.96%	3,664,952	2%
	$12,865,933	100.00%	$ 13,096,657	

* These amounts are the fiscal year 2014 maximum debt service that can be required of the Pledging Members for the months July 2013 through June 2014.

NOTE 10 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, 2013 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
				Classification	Amount	
4.984%	LIBOR x 67% [1]	$ 110,000,000	$ (46,907,847)	Deferred Outflow	$ 17,545,044	June 1, 2040
5.665%	LIBOR + .05% [2]	75,000,000	(27,538,805)	Deferred Outflow	14,912,527	June 1, 2040

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

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

NOTE 10 DERIVATIVE ARRANGEMENTS (Continued)

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.

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, 2013, the actual critical value was 102 percent.

Fair Value
At June 30, 2013 the swaps had a combined negative fair value of $74,446,652, because interest rates have declined since the swaps were executed. 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. 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. At June 30, 2013, the counterparty with notional amount of $110,000,000 was rated A3 by Moody's Investor Services, A- by S&P, and A- by Fitch. At June 30, 2013, the counterparty with notional amount of $75,000,000 was rated Baa2 by Moody's Investor Services, A- by S&P, and A by Fitch.

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.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS
For The Fiscal Year Ended June 30, 2013

K&C

Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITORS' 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*

Board of Directors
Utah Telecommunication Open Infrastructure Agency
West Valley City, 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, Utah (UTOPIA), as of and for the year ended June 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated November 27, 2013.

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 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

November 27, 2013

K&C

Keddington & Christensen
Certified Public Accountants, LLC

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Board of Directors
Utah Telecommunication Open Infrastructure Agency
West Valley City, Utah

Report on Compliance for Each Major Federal Program

We have audited Utah Telecommunications Open Infrastructure Agency, Utah's (UTOPIA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of UTOPIA's major federal programs for the year ended June 30, 2013. UTOPIA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of UTOPIA's major federal programs based on our audit of the types of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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 major federal program. However, our audit does not provide a legal determination of UTOPIA's compliance.

Opinion on Each Major Federal Program

In our opinion, UTOPIA, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of UTOPIA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered UTOPIA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 detect and correct, noncompliance with a type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of UTOPIA as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise UTOPIA's basic financial statements. We issued our report thereon dated November 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen

November 27, 2013

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Fiscal Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Disbursements Expenditures
U.S. Department of Commerce		
Direct Programs:		
ARRA Broadband Technology Opportunities Program	11.557	$ 7,109,047
Total Federal Financial Assistance		$ 7,109,047

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following are the notes to the supplementary schedule of expenditures of federal awards:

NOTE A GENERAL

The accompanying *Schedule of Expenditures of Federal Awards* presents the activity of all federal awards programs of Utah Telecommunications Open Infrastructure Agency (UTOPIA). UTOPIA's reporting entity is defined in Note 1 to UTOPIA's financial statements. All federal awards received directly from federal agencies are included on the schedule. UTOPIA provided no federal awards to subrecipients.

NOTE B BASIS OF PRESENTATION AND ACCOUNTING

The accompanying *Schedule of Expenditures of Federal Awards* includes federal grant activity of UTOPIA presented using the accrual basis of accounting, the same basis as used by UTOPIA as described in Note 1 to UTOPIA's financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements.

2. No instances of noncompliance material to the financial statements, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

3. No significant deficiencies in internal control over the major federal award programs were reported in this schedule.

4. The auditor's report on compliance for the major federal award program for the Agency expressed an unmodified opinion on the major federal program.

5. There are no audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133.

6. The following program was tested as major program:

   CFDA No. 11.577 ARRA Broadband Technology Opportunities Program

7. The threshold for distinguishing Types A and B programs was $300,000.

8. UTOPIA qualifies as a low-risk auditee.

FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS FINDINGS

None

MAJOR FEDERAL AWARD PROGRAMS AUDIT FINDINGS

None

K&C

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Certified Public Accountants, LLC

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Brent E. Christensen, CPA
Phyl R. Warnock, CPA

**INDEPENDENT AUDITOR'S REPORT
ON STATE OF UTAH
LEGAL COMPLIANCE AUDIT GUIDE**

Board of Directors
Utah Telecommunication Open Infrastructure Agency
West Valley City, Utah

We have audited the Utah Telecommunication Open Infrastructure Agency's (UTOPIA) compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2013. The general compliance requirements applicable to UTOPIA are identified as follows:

Cash Management
Fund Balance
Utah Retirement Systems Compliance
Government Records Access Management Act (GRAMA)
Conflicts of Interest

UTOPIA did not receive any major assistance programs from the State of Utah during the year ended June 30, 2013.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of UTOPIA's management.

Auditor's Responsibility

Our responsibility is to express an opinion on UTOPIA's compliance based on our audit.

We conducted our audit 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 of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on UTOPIA and its major programs 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. Our audit does not provide a legal determination of UTOPIA's compliance with those requirements.

Opinion

In our opinion, UTOPIA complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as items 2013-1.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of UTOPIA is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered UTOPIA's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the UTOPIA's internal control over compliance.

A d*eficiency in internal control over compliance* 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, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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

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 and 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

November 27, 2013

UTAH TELECOMMUNICATION OPEN INFRASTRUCTURE AGENCY
SCHEDULE OF FINDING & RECOMMENDATION
For the Fiscal Year Ended June 30, 2013

State of Utah Legal Compliance Finding:

2013-1 Net Position Deficit

Finding
UTOPIA had deficit net position in the amount of $145,903,223. The Utah State Code 10-6-117 requires UTOPIA to maintain positive net position. A similar finding was noted in the prior year's audit.

Recommendation
We recommend that UTOPIA continue to work to reverse this net asset deficit and comply with Utah State Code 10-6-117 on positive net position.

UTOPIA

RESPONSE TO SCHEDULE OF FINDING & RECOMMENDATION
For the Fiscal Year Ended June 30, 2013

Finding
UTOPIA had deficit net position in the amount of $132,651,908. The Utah State Code 10-6-117 requires UTOPIA to maintain positive net position.

Recommendation
We recommend that UTOPIA continue to work to reverse this net asset deficit and comply with Utah State Code 10-6-117 on positive net position.

Response
UTOPIA does have a net position deficit as stated above. The financial statements reflect conditions typical of a capital-intensive start-up enterprise in the first years of its existence. Total revenues increased over the prior fiscal year and steps are being taken to reverse the deficit.

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.

In August of 2010, UTOPIA was awarded $16 million in funding from the American Reinvestment and Recovery Act (ARRA). The grant was awarded to connect nearly 400 Community Anchor Institutions (CAI) consisting of schools, libraries, medical and healthcare providers, public safety entities, community college locations, government offices, and other important community institutions in sections of Perry, Payson, Midvale, Murray, Centerville, Layton, Orem, and West Valley City.

This "stimulus" project has made the following possible:

- Fiber optic backbone cables have been placed throughout UTOPIA member cities.
- Fifty-nine communication huts(Points of Interconnection) have been placed to better serve the residents throughout the UTOPIA/UIA network.
- Perry city offices now have a fiber connection supporting their office along with one of the schools in the city.
- More than 122 Community Anchor Institutions have been connected reducing the cost of their broadband data costs. More important; of those 122 community anchor institutions 40 of them are receiving new broadband service, only possible because of the network.
- There has been an additional 123 community anchor institutions end points such as water wells, sewer lift stations and traffic lights that are now connected.

In addition, UTOPIA continues to look for other opportunities that will enhance revenues or reduce operating expenses to help reverse the deficit.

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 2.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time: 7:40

SUBJECT

February 13, 2014 work session; February 18, 2014 work session and regular City Council meeting

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- February 13, 2014 work session
- February 18, 2014 work session minutes
- February 18, 2014 regular Council meeting minutes

Minutes of the Centerville City Council **work session** held Thursday, February 13, 2014 at 6:05 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken Averett (arrived at 6:35 p.m.) Tamilyn Fillmore Stephanie Ivie Lawrence Wright
MEMBER ABSENT	John T. Higginson
STAFF PRESENT	Steve Thacker, City Manager Blaine Lutz, Finance Director/Assistant City Manager Lisa Romney, City Attorney Katie Rust, Recording Secretary
VISITORS	Nicholas Hann, Macquarie Senior Managing Director David ____________, IO Data Interested citizens (see attached sign-in sheet)

WORK SESSION WITH MACQUARIE CAPITAL REPRESENTATIVES

Nicholas Hann, Senior Managing Director for Macquarie Capital, described the types of public/private partnerships in which Macquarie invests. Mr. Hann explained the two investment models used by Macquarie. With the "availability payment" model Macquarie is paid based on performance of the asset. With the "demand" model, Macquarie takes the revenue risk of demand of the asset. It is expected that a partnership between UTOPIA and Macquarie would be set up with the availability payment model.

Mr. Hann stated that Macquarie feels the UTOPIA business model is a good fit with the Macquarie business model. UTOPIA has struggled with infrastructure delivery, and Macquarie is good at delivering infrastructure services. Macquarie is currently in the middle of Milestone One of a four-milestone Pre-Development Agreement (PDA). Milestone One involves Macquarie conducting a scoping study, determining the cost to build-out the network to full-scale, the risks involved, and what might need to change to put UTOPIA on a fully-commercial footing. At the end of Milestone One, Macquarie will present to UTOPIA a feasibility report and a proposal of how Macquarie would deliver build-out of the network. If the UTOPIA cities choose to continue with Macquarie's proposal, Macquarie is hopeful that build-out would move forward as early as summer of 2014. If the UTOPIA cities do not choose to continue with Macquarie, UTOPIA will be responsible to pay for the out-of-pocket expenses associated with Milestone One (not to exceed $480,000), and will retain ownership of the feasibility report.

Mr. Hann responded to questions from the Council. He stated that Macquarie would be interested in expanding UTOPIA service to cities outside of the eleven participating cities, but would charge a premium that would be returned to the member cities to defray early investment costs of the network. Mr. Hann expressed confidence that with full build-out, and a company like Macquarie backing UTOPIA, more substantial revenues will be possible. He stated the intention would be to quickly and efficiently connect all homes to the network. A utility fee would be levied and a basic service provided, with the option to upgrade the service if desired. A portion of revenues from upgraded services will be distributed back to the cities to help defray the debt obligation.

Macquarie is in the process of defining what the basic service would include. The basic service is intended to have something for everyone, and is not intended to include an opt-out provision. However, individual cities could choose to not levy the fee on low-income households and spread the cost over the rest of the community. Citizens who already paid a connection fee for UTOPIA would receive credit in that amount towards the monthly utility fee. Mr. Hann stressed that Macquarie does not own the assets in which they invest. Macquarie retains the right to use the asset for a defined period of time, but the cities retain ownership. The availability payment to Macquarie would be fixed with a set inflation index for the duration of the partnership.

The network would remain an open-access network with many service providers available. Macquarie is planning that at the outset customers will be given a list of service providers to choose which company they want providing their basic service. Mr. Hann stated that cities would have the option of charging citizens an amount less than the recommended utility fee and subsidizing the balance with City funds, or charging a greater amount to help off-set the debt obligation. Mr. Hann expressed that Macquarie can see huge potential to provide additional services once the ubiquitous network is in place, including a wireless overlay to provide free city-wide WiFi to every citizen.

Mr. Hann explained that approximately one-third of the utility fee would go toward refreshing the network. Macquarie would be responsible to refresh and maintain the network at its current level. Cities would have the option to contribute to a greater refresh out of revenues. At the moment Macquarie is planning that small businesses would be treated the same as residential households with regards to the utility fee, with a cut-off point at which larger businesses would be required to pay a larger utility fee. Mr. Hann explained the studies and factors Macquarie is taking into consideration to determine the utility fee. He also explained the ongoing process of presenting information and receiving feedback from UTOPIA cities throughout Milestone One.

ADJOURNMENT

Mayor Cutler thanked the Macquarie representatives for their time and adjourned the work session at 8:00 p.m.

Marsha L. Morrow, City Recorder

Date Approved

Katie Rust, Recording Secretary

PRELIMINARY DRAFT

Minutes of the Centerville City Council **work session** held Tuesday, February 18, 2014 at 6:00 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken Averett Tamilyn Fillmore Stephanie Ivie Lawrence Wright
MEMBER ABSENT	John T. Higginson
STAFF PRESENT	Steve Thacker, City Manager Blaine Lutz, Finance Director/Assistant City Manager Lisa Romney, City Attorney Randy Randall, Public Works Director Katie Rust, Recording Secretary

WORK SESSION RE: 2014-2018 STREETS MASTER MAINTENANCE PLAN

Randy Randall, Public Works Director, described five causes of street deterioration, and showed on a map which streets scheduled for maintenance in the 2008-2012 Streets Master Plan did not receive maintenance due to insufficient budget. Mr. Randall stressed that if roads are not repaired in a timely manner, the costs for the repairs will continue to rise substantially. He explained that 87% of the roads are currently in acceptable condition as of the date the new 5-year Plan was prepared, but many of the roads will quickly qualify as unacceptable if scheduled maintenance is not performed. Mr. Randall showed crack seal, slurry seal, overlay and street rebuild schedules through 2018, as well as City parking lot and trail maintenance schedules. He presented budget estimates to accomplish work scheduled in the Streets Master Plan, and answered questions from the Council.

ADJOURNMENT

Mayor Cutler adjourned the work session at 6:58 p.m.

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Marsha L. Morrow, City Recorder Date Approved

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Katie Rust, Recording Secretary

PRELIMINARY DRAFT

Minutes of the Centerville **City Council** meeting held Tuesday, February 18, 2014 at 7:05 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Mayor	Paul A. Cutler
Council Members	Ken S. Averett
	Tamilyn Fillmore
	Stephanie Ivie
	Lawrence Wright
MEMBER ABSENT	John T. Higginson
STAFF PRESENT	Steve Thacker, City Manager
	Blaine Lutz, Finance Director/Assistant City Manager
	Cory Snyder, Community Development Director
	Lisa Romney, City Attorney
	Katie Rust, Recording Secretary
VISITORS	Interested citizens (see attached sign-in sheet)
PLEDGE OF ALLEGIANCE	Charles Ore, BSA Troop 1378
PRAYER OR THOUGHT	Councilwoman Stephanie Ivie

OPEN SESSION

Rick Bingham – Mr. Bingham stated that one year ago he stood in a Council meeting and expressed concerns about the City's involvement in UTOPIA. He also attended the work session recently held on February 13th with Macquarie representatives. Mr. Bingham voiced his personal disapproval for a partnership between UTOPIA and Macquarie, and urged the Council to exercise judgment that would oppose the partnership. Mr. Bingham also expressed concern about his efforts to obtain the loan documents associated with the City's loan of funds to UTOPIA to cover operating expenses in 2013. He stated he feels the City Council should not make any more payments for this purpose.

Sherri Lindstrom – Ms. Lindstrom thanked the Council and staff for putting together the recent transportation open house. She asked if the Council is aware of when Enhanced Bus or Bus Rapid Transit will be implemented, and whether further open houses/public hearings will be held. Referring to a comment made by Hal Johnson, a UTA representative, at the February 4th Council meeting, she emphasized that switching from bus service on Main Street to light-rail would be a long, involved process. It could not be accomplished quickly. Ms. Lindstrom stated she is in favor of the Council putting together a transportation committee. Ms. Lindstrom showed a pamphlet to the Council that was left on her doorstep regarding the Centerville Porter Lane Well. She thanked the City for this notice, but pointed out that the pamphlet does not mention the Wasatch Waste District as a resource for the disposal of hazardous materials. She stated that the Waste District has money set aside each year for education purposes, and suggested the Waste District might be willing to partner with the City for a hazardous materials pick-up day.

Mayor Cutler responded that Bus Rapid Transit is still in the concept stage, and would likely be implemented in the Salt Lake Valley and possibly Utah County before Davis County.

Mark Gabriel – Mr. Gabriel stated he would like to know if loan documents exist for the City's loan of funds to UTOPIA for operating expenses. Mr. Gabriel also asked if Centerville would be responsible to help pay for the feasibility study being conducted by Macquarie if the City were to decide not to participate in the partnership.

Steve Thacker, City Manager, explained that the terms relating to the loan of funds to UTOPIA for operating expenses were included in a resolution of the UIA Board and a resolution of the City Council. The first payment from Centerville was sent with a statement indicating repayment is expected. Councilman Wright stated he does not consider a resolution to be a loan document. Mayor Cutler added that agreements between government agencies are accomplished with resolutions. The Mayor said it is unclear at this point what would happen if not all of the cities choose to accept the Macquarie proposal. If the proposal does not go beyond Milestone One, however, with any cities, then his understanding is that Centerville's share would be a percentage similar to its percentage of the UTOPIA debt.

MINUTES REVIEW AND APPROVAL

The minutes of the Tuesday, February 4, 2014 Council meeting were reviewed. Mayor Cutler and Councilwoman Fillmore requested amendments, and Councilwoman Fillmore made a **motion** to approve the minutes as amended. Councilman Averett seconded the motion, which passed by unanimous vote (4-0).

SUMMARY ACTION CALENDAR

a. Consider approval of Resolution No. 2014-07 regarding updates to the City's Electronic Meetings Policy for Public Meetings
b. Consider approval of Resolution No. 2014-08 regarding updates to the City's Minutes Approval Policy for Public Bodies
c. Consider approval to use Contingency funds in the amount of $4,985 for upgrade of GIS computer system

Councilman Wright requested that the Council consider and discuss item (c) on the Summary Action Calendar separately. Councilman Wright made a **motion** to approve items (a) and (b) on the Summary Action Calendar, including Resolution No. 2014-07 and Resolution No. 2014-08. Councilwoman Ivie seconded the motion, which passed by unanimous vote (4-0).

Councilman Wright asked why the computer upgrade is not being considered as part of the regular budget cycle. Blaine Lutz, Finance Director, responded that the upgrade was approved as part of the FY 2013 Budget, but staff decided in June 2013 (near end of FY 2013) to wait until new technology was available and reduced in price. Mr. Lutz explained why staff recommends the funds come from the Contingency Fund. Councilman Averett made a **motion** to approve item (c) on the Summary Action Calendar. Councilwoman Fillmore seconded the motion, which passed by unanimous vote (4-0).

PUBLIC HEARING – ZONING ORDINANCE TEXT AMENDMENTS REGARDING NOTICING AND PUBLIC HEARING REQUIREMENTS – Tabled from February 4 meeting

Lisa Romney, City Attorney, explained that the proposed Zoning Ordinance Text Amendments regarding noticing and public hearing requirements have been drafted in response to House Bill 88 passed in the 2013 General Session of the State Legislature. The additional noticing practices have already been implemented by staff. Ms. Romney explained the intent of the proposed revisions. Centerville exceeds State requirements regarding providing opportunity for public comment. Ms. Romney explained the detailed process involved in publicly noticing applications submitted to the City. Councilman Wright suggested a bulletin board on the east side of City Hall or an electronic sign in front of City Hall as alternatives to posting the notices on the windows of the east entrance to City Hall.

At 7:59 p.m. Mayor Cutler opened a public hearing.

Rick Bingham – Mr. Bingham asked if it would be acceptable for a citizen to raise funds to provide the suggested electronic sign in front of City Hall.

Mark Gabriel – Mr. Gabriel asked where public notices can be found online. Mayor Cutler responded they can be found on the City website, or the Utah Public Notice website.

Sherri Lindstrom – Ms. Lindstrom asked if the public hearing will be continued to the next Council meeting and discussion of the proposed amendments. The Council responded that the public hearing will be continued.

Mayor Cutler closed the public hearing at 8:02 p.m. but will reopen the public hearing at the next Council meeting.

Councilman Wright repeated that he feels the location where public notices are posted at City Hall should be improved. Mayor Cutler reminded the Council that electronic signage is prohibited on Main Street by ordinance. Councilman Wright responded that the City, in providing a public service, could be an exception. Councilwoman Fillmore made a **motion** to table the discussion and continue the public hearing to the next Council meeting on March 4th. Councilwoman Ivie seconded the motion, passed by unanimous vote (4-0).

TEMPORARY ZONING REGULATIONS FOR WEST CENTERVILLE NEIGHBORHOOD PLAN

At a previous meeting, the Council discussed the possibility of imposing a six-month Temporary Zoning Regulation Ordinance (TZRO) to restrict applications for rezone, subdivision, and site development while considering changes to future land use expectations in the West Centerville Neighborhood. Cory Snyder, Community Development Director, stated that, to some degree, a TZRO would have a negative appearance by putting a hold on development. He cautioned that the action may be unsettling to some property owners. On the other hand, a TZRO would prevent development that would thwart or significantly hamper the City's ability to move in a different direction with the zoning. The Council and staff discussed a pending application for development of the property on the southwest corner of the Parrish Lane/1250 West intersection. Mr. Snyder recommended that it not be included in the TZRO.

Councilman Averett stated that no one likes to impose restrictions that take away property development rights. However, he continued that he feels the TZRO is timely in this situation to allow time to determine the look and feel desired in the West Centerville Neighborhood. Councilwoman Fillmore made a **motion** to adopt Ordinance No. 2014-04, establishing temporary regulations pertaining to land use, zoning, subdivision and development of real property located generally west of Interstate 15 and south of 200 North within Centerville, designated as a portion of the West Centerville Neighborhood in the General Plan. Councilman Wright seconded the motion, which passed by unanimous vote (4-0). Mayor Cutler said he will move forward with formulating a committee.

FINANCIAL REPORT

Blaine Lutz, Finance Director, presented a financial report for the period ending January 31, 2014.

MAYOR'S REPORT

Mayor Cutler reported that progress has been made on preparations for the 4th of July celebration.

CITY MANAGER'S REPORT

- At a previous meeting the Council discussed the possibility of sending a letter to Wasatch Front Regional Council regarding future growth maps for Centerville and designation of Main Street as a "Main-Street Community" versus a "Boulevard Community". Main Street south of Parrish Lane is currently designated as a Boulevard Community. Councilwoman Fillmore stated that, although neither designation perfectly describes Centerville's Main Street, she feels the Main-Street designation would more accurately communicate the City's goals for transportation in the area. Mr. Snyder cautioned that the designation selected by the Council may influence possible future grant/funding opportunities. He stated the Boulevard designation was chosen based on desired housing/commercial levels and physical constraints of the area. Council members agreed to gather more information on the issue before making a decision.
- City Manager Thacker informed the Council he plans to initiate conversations with property owners regarding easements for bus stops on Main Street.
- Mr. Thacker made the Council aware of an open house to be held at Bountiful High School on February 20th regarding a proposed Tesoro Uinta Express Pipeline. He said the city managers of the South Davis cities suggest that Tesoro should be encouraged to make a financial contribution for the improvement of the Centerville Fire Station as a way to offset negative impacts on these communities.
- The Council will meet in a work session on March 4th regarding the Drainage Utility System Comprehensive Financial Sustainability Study.
- Mr. Thacker described staff efforts to improve public information in situations where there is no requirement to get a permit. The Council discussed this code enforcement topic. Councilman Averett suggested the City require a building permit and minimal fee for residential fence installation to avoid many of the problems associated with fences. Mayor Cutler suggested staff research what is done in other cities regarding fencing regulations.

MISCELLANEOUS BUSINESS

- Councilman Wright asked if the Whitaker Museum Board has received a new computer as expected. Mr. Lutz responded he thinks they have. Councilman Wright stated he will follow-up with the Museum Board.
- Councilwoman Fillmore asked if it would be appropriate for Council members to share issues brought to them by community members with each other via email. Lisa Romney, City Attorney, responded that information sharing is appropriate, but reminded the Council to be cautious not to discuss anything via email that should be discussed in public meeting.
- Councilwoman Fillmore stated she feels it would be valuable to include youth on City committees and boards. Councilwoman Fillmore asked that idea be put on a future agenda for discussion. Councilman Wright also indicated interest in discussing the idea.
- Councilwoman Fillmore expressed interest in asking staff to recommend how the City could reach-out more regarding guest prayers at Council meetings. Councilman Wright said he feels the Mayor should handle that issue.

The Council took a brief recess at 9:40 p.m. and returned at 9:46 p.m.

RDA MEETING

At 9:46 p.m. Councilman Wright made a **motion** to move to a meeting of the Centerville Redevelopment Agency. Councilwoman Fillmore seconded the motion, which passed by unanimous vote (4-0). In attendance were: Paul A. Cutler, Chair; Directors Averett, Fillmore, Ivie, and Wright; Steve Thacker, RDA Executive Director; Blaine Lutz, Finance Director; Lisa Romney, City Attorney; and Katie Rust, Recording Secretary.

The Council returned to regular meeting at 10:33 p.m.

ADJOURNMENT

At 10:35 p.m. Councilman Wright made a **motion** to adjourn the meeting. Councilwoman Ivie seconded the motion, which passed by unanimous vote (4-0).

____________________________ ____________________

Marsha L. Morrow, City Recorder Date Approved

____

Katie Rust, Recording Secretary

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 3.

Short Title: Public Hearing - Zoning Ordinance Text Amendments regarding Noticing and Public Hearing Requirements

Initiated By: City Attorney

Scheduled Time: 7:45

SUBJECT

Public Hearing - Consider Zoning Ordinance Text Amendments regarding noticing and public hearing requirements - Ordinance No. 2014-03 (This item was continued from the February 18 meeting)

RECOMMENDATION

Continue Staff presentation on proposed Zoning Ordinance Text Amendments regarding noticing and public hearing requirements; hold continued public hearing regarding proposed amendments; and consider adoption of Ordinance No. 2014-03.

BACKGROUND

Staff has reviewed the noticing and public hearing requirements for various land use applications as set forth in the City Zoning Ordinance for compliance with State law provisions. Such review was initiated in response to State law amendments as adopted during the 2013 legislative session. Specifically, HB 88 requires cities to provide additional courtesy notice to owners of real property whose property is subject to a zoning map amendment (rezone). In reviewing relevant provisions of the City's Zoning Ordinance, it was determined to conduct a more comprehensive review of the noticing and public hearing requirements. The proposed amendments are intended to bring City Ordinances into compliance with State law, where necessary, and to recommend additional changes regarding electronic noticing, newspaper publications, and noticing requirements for first and subsequent public hearings. The current Zoning Ordinances provide additional noticing and public hearings above and beyond what State law requires. The proposed amendments are not intended to reduce such additional opportunities for public input regarding zoning and land use applications, but to provide more meaningful and less costly noticing through electronic means. After Staff presentation, the City Council should hold a public hearing regarding the proposed amendments (as continued from the February 18, 2014 meeting). It is recommended the City Council approve Ordinance No. 2014-03 proposing various Zoning Ordinance amendments regarding noticing and public hearing requirements.

The Planning Commission first reviewed these Zoning Code amendments and held a public hearing regarding the same on November 13, 2013. On January 8, 2014, after further review and study of the matter, the Planning Commission recommended to the City Council approval of the proposed Zoning Code amendments as set forth in Ordinance No. 2014-03 regarding public hearing and noticing requirements for land use applications.

ATTACHMENTS:

Description

- Ordinance No. 2014-03
- Exhibit A - Zoning Ordinance Amendments
- HB 88
- Public Notice Flow Charts
- Public Notice PowerPoint Presentation

ORDINANCE NO. 2014-03

AN ORDINANCE AMENDING SECTIONS 12-12-030, 12-21-040, 12-21-050, 12-21-070, 12-21-080 AND 12-21-120 OF THE CENTERVILLE ZONING CODE REGARDING PUBLIC HEARINGS, NOTICE REQUIREMENTS AND OTHER VARIOUS PROCEDURAL AMENDMENTS REGARDING ZONING APPLICATIONS

WHEREAS, the Utah Legislature recently amended provisions of *Utah Code Ann.* § 10-9a-205 regarding notice of public hearings for zoning map amendments, including new courtesy notice requirements for rezone applications, as more particularly set forth in H.B. 88 of the 2013 General Session; and

WHEREAS, City Staff has reviewed the noticing and public hearing requirements for various zoning applications for compliance with State law and has made various recommended changes to the City Council as more particularly provided herein; and

WHEREAS, the City Council has determined that the proposed amendments to various provisions of the Centerville Zoning Code are in the best interest of the City and the public which it serves to ensure that appropriate, effective and lawful notice is provided to the public and developers for various zoning applications in compliance with applicable provisions of Utah law; and

WHEREAS, all required notice and public hearings have been held before the Planning Commission and City Council regarding these proposed amendments to the Centerville Zoning Code.

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

Section 1. **Amendment.** Section 12-12-030(i) of the Centerville Zoning Code regarding Computation of Time is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 2. **Amendment.** Subsection 12-21-040 of the Centerville Zoning Code regarding General Requirements for land use applications and procedures is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 3. **Amendment.** Subsection 12-21-050 of the Centerville Zoning Code regarding Public Hearings and Meetings for land use applications and procedures is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 4. **<u>Amendment</u>.** Subsection 12-21-070 of the Centerville Zoning Code regarding General Plan Amendments is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 5. **<u>Amendment</u>.** Subsection 12-21-080 of the Centerville Zoning Code regarding Zoning Map and Text Amendments is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 6. **<u>Amendment</u>.** Subsection 12-21-120 of the Centerville Zoning Code regarding Special Exceptions is hereby amended to read as more particularly provided in **Exhibit A,** attached hereto and incorporated herein by this reference.

Section 7. **<u>Severability</u>.** 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 8. **<u>Omission Not a Waiver</u>.** 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 9. **<u>Effective Date</u>.** This Ordinance shall become effective immediately upon publication or posting, or thirty (30) days after passage, whichever occurs first.

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

CENTERVILLE CITY

By:____________________________
Mayor Paul A. Cutler

ATTEST:

____
Marsha L. Morrow, City Recorder

Voting by the City Council:

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

EXHIBIT A

CENTERVILLE ZONING CODE AMENDMENTS TO:

Section 12-12-030
Section 12-21-040
Section 12-21-050
Section 12-21-070
Section 12-21-080
Section 12-21-120

Proposed Zoning Ordinance Text Amendments regarding Noticing and Public Hearing Requirements

January 9, 2014
(As Recommended for Approval by the Planning Commission)

12-12-030. Rules of Interpretation.

* * *

(i) *Computation of Time.* The time within which an act is to be done shall be computed by excluding the first day and including the last day. If the last day is a Saturday, Sunday, or holiday, then the last day shall be the next following business day. ~~In computing the time required for public hearing notice, the day of the hearing shall be excluded.~~

12-21-040. General Requirements.

The following requirements shall apply to a proposed land use, development, or other matter which is subject to a procedure set forth in this Title.

(a) *Application Form.* An application shall be submitted on a form provided by the Zoning Administrator and in such numbers as reasonably required by the Zoning Administrator for a particular type of application. Applicants shall be required to submit electronic copies of all drawings, plans, plats, etc., submitted as part of the application process, upon request of the Zoning Administrator. Applicants shall be required to provide a designated contact name and accurate mailing address and email address for receiving legal notice of staff reports, public meetings, public hearings, final action, and other notices required to be provided by the City to applicants.

* * *

12-21-050. Public Hearings and Meetings.

Any public hearing or meeting required under this Title, as the case may be, shall be scheduled and held subject to the requirements of this section.

(a) *Scheduling a Public Hearing or Meeting.* An application requiring a public hearing or meeting shall be scheduled within a reasonable time following receipt of a complete application. The amount of time between receipt of an application and holding a public hearing or meeting regarding the application shall be considered in light of:
(1) The complexity of the application submitted;
(2) The number of other applications received which require a public hearing or meeting;
(3) Available staff resources; and
(4) Applicable public notice requirements.

(b) *Notice of Public Meeting.* In accordance with the Utah Open and Public Meetings Act, as set forth in *Utah Code Ann.* §§ 52-4-101, ~~52-4-1~~, et seq., as amended, the applicable land use authority shall provide public notice of its meetings.
(1) *Annual Meeting Schedule.* The applicable land use authority shall give public notice at least once each year of its annual meeting schedule specifying the date, time and place of such meetings in accordance with *Utah Code Ann.* § 52-4-202, as amended.
(2) *Individual Meeting.* The applicable land use authority shall also provide not less than 24 hours' public notice of the agenda, date, time and place of each of its meetings in accordance with *Utah Code Ann.* § 52-4-202, as amended.
(3) For purposes of Subsection (1) and (2), public ~~Public~~ notice of meetings shall be satisfied by:
(i) posting written notice ~~in at least three public locations within the City, including~~ at City Hall; ~~and~~
(ii) publishing notice on the Utah Public Notice Website created under *Utah Code Ann.* § 63F-1-701, as amended;
(iii) publishing notice on the City's website; and
(iv~~ii~~) providing notice to at least one newspaper of general circulation within the area of the City.
(4~~3~~) *Emergency Meetings.* When because of unforseen circumstances it is necessary for the applicable land use authority to hold an emergency meeting to consider matters of an emergency or urgent nature, the noticing requirements set forth herein may be disregarded and the best notice practical will be given in accordance with the Utah Open and Public Meetings Act.

(c) *Notice of Public Hearing.* When this Title or any state statute requires a public hearing for any land use application, permit, or matter governed by this Title, notice of the ~~first~~ public hearing regarding such matter shall be provided in accordance with the provisions set forth herein.

(1) *Contents.* Public notice of the public hearing should include the following information:

(i) a statement summarizing the substance of the application;

(ii) the date, time and place of the public hearing; and

(iii) the place where the application may be inspected by the public or the person to contact for further information.

(2) *Notice for First Public Hearing.* Public notice of the first public hearing on an application shall be provided at least ten (10) calendar days before the public hearing~~:~~. Such notice shall be:

(i) ~~published in a newspaper of general circulation in the area;~~published on the Utah Public Notice Website created under *Utah Code Ann.* § 63F-1-701, as amended;

(ii) ~~mailed to each affected entity (as defined in Section 12-12-040); and~~

~~(iii)~~ posted ~~in at least three public locations within the City or~~ on the City's official website~~.~~;

(iii) for the first public hearing for general plan enactment or amendment, zoning ordinance enactment or amendment, and zoning map enactment or amendment, notice shall be published at least 10 calendar days before the hearing in a newspaper of general circulation in the area and mailed to each affected entity (as defined in Section 12-12-040); and

(iv) for the first public hearing regarding a zoning map enactment or amendment, the City shall send a courtesy notice at least 10 days prior to the hearing to each owner of private real property whose property is located entirely or partially within the proposed map amendment in accordance with *Utah Code Ann. § 10-9a-205, as amended.*

(3) *Notice for Subsequent Public Hearings.* Public notice of any additional or subsequent public hearing on an application shall be provided at least ten (10) calendar days before the public hearing by:

(i) publishing notice on the Utah Public Notice Website created under *Utah Code Ann.* § 63F-1-701, as amended; and

(ii) posting notice on the City's official website.

(d) *Applicant Notice.* For each land use application filed in accordance with the provisions of this Title, the City shall notify the applicant of the date, time, and place of each public hearing and public meeting to consider the application. The City shall provide each applicant a copy of each staff report regarding the applicant or the pending application at least three (3) business days before the public hearing or public meeting, subject to the waiver ~~warranty~~ provisions of *Utah Code Ann.* § 10-9a-202, as amended. Such notice may be provided by mail, email or other electronic means to the designated contact and mailing address or email address provided by the applicant in accordance with Section 12-21-040. The City shall also provide the applicant notice of any final action on a pending application in accordance with the provisions of Subsection (l).

(e) *Notice of Intent to Prepare General Plan Amendment~~Notice~~.* Before preparing a proposed general plan or general plan amendment, the City shall provide ten (10) calendar days notice of its intent to prepare a proposed general plan or general plan amendment to the following listed entities or persons. Such notice shall comply with the requirements of *Utah Code Ann.* § 10-9a-203, as amended. Notice of intent shall be provided to:
(1) each affected entity (as defined in Section 12-12-040);
(2) the Automated Geographic Reference Center (as defined in *Utah Code Ann.* § 63F-1-506, as amended);
(3) the association of governments of which the City is a member; and
(4) the Utah Public Notice Website created under *Utah Code Ann.* § 63F-1-701, as amended. ~~the State Planning Coordinator (appointed pursuant to *Utah Code Ann.* § 63-38d-202, as amended).~~

(f) *Posting Notice On-Site.* In addition to public notice of a public hearing as provided in this section, the City shall post on-site notice of the first public hearing regarding a proposed zoning map amendment, conditional use permit, or conceptual site plan application at least ten (10) calendar days before the public hearing. Such notice should include the information set forth in Section 12-21-050(c)(1). Applications that involve multiple parcels need not have notice posted on each individual parcel, but shall be posted in a location or locations representative of the proposed project area.

(1) The Zoning Administrator, in his or her sole discretion, may provide additional notice of any application, including, but not limited to, direct mailings to neighboring property owners.
(2) Any on-site posting, direct mailing, or other notice provided under this Subsection (f) is intended as a courtesy only. Any error or failure on the part of the City to provide on-site posting or other courtesy notice shall not affect the adequacy or sufficiency of published and/or posted notice of the meeting or hearing as required by law.

(g) *Challenge of Notice.* Pursuant to *Utah Code Ann.* § 10-9a-209, as amended, if ~~If~~ notice required by this section or any other applicable provision of this Title is not challenged in accordance with applicable appeal procedures within thirty (30) days from the date of the hearing or meeting for which notice was given, the notice shall be considered adequate and proper.

(h) *Examination of Application.* Upon reasonable request during normal business hours, any person may examine an application and materials submitted in support of or in opposition to an application in accordance with the Government Records Access Management Act, *Utah Code Ann.*, §§ 63G-2-101, ~~63-2-101,~~ *et seq.*, as amended. Copies of such materials shall be made available at reasonable cost in accordance with the City's fee schedule.

(i) *Public Hearing and Meeting Procedures.* An application shall be considered pursuant to policies and procedures established by the decision-making body or official for the conduct of its meetings.

(j) *Withdrawal of Application.* An applicant may withdraw an application at any time prior to action on the application by the decision-making body or official. Application fees shall not be refundable if prior to withdrawal:
(1) A staff review of the application has been undertaken; or
(2) Notice for a public hearing or meeting on the application has been mailed, posted or published.

(k) *Record of Public Hearing or Meeting.*
(1) Except as provided by law, written ~~Written~~ minutes and ~~or~~ a ~~digital or tape~~ recording shall be kept of all ~~public hearings or~~ open meetings. Written minutes of an open meeting ~~Such minutes or a digital or tape recording~~ shall include:

(i) The date, time, and place of the meeting;
(ii) The names of members present and absent;
(iii) The substance of all matters proposed, discussed, or decided, and a record, by individual member, of votes taken;
(iv) The names of each person who provides testimony or comments to the public body ~~all citizens who appeared~~ and the substance in brief of their testimony or comments; and
(v) Any other information that is a record of the proceedings of the meeting that any member requests be entered in the minutes or recording.
(2) The minutes, ~~tape~~ recordings, all applications, exhibits, papers and reports submitted in any proceeding before the decision-making body or official, and the decision of the decision-making body or official, shall constitute the record thereof. The record shall be made available for public examination as provided in Section 12-21-050(h) of this section.

(l) *Final Action Notification.* Notice of any final action or decision on a pending application by the decision-making body or official shall be provided to an applicant within a reasonable time. Such notice shall be provided by mail, email or other electronic means to the designated contact and mailing address or email address provided by the applicant in accordance with Section 12-21-040.

12-21-070. General Plan Amendment.

* * *

(3) After an application is determined to be complete or prior to the initiation of a City-initiated General Plan amendment, the Zoning Administrator shall provide notice of intent to prepare or amend the General Plan in accordance with the provisions of Section 12-21-050. After providing the required 10-day notice of intent to prepare or amend the General Plan, the Zoning Administrator shall thereafter review and prepare a staff report evaluating the application.

(4) The Planning Commission shall schedule and hold a public hearing on the proposed amendment. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. The public hearing before the Planning Commission shall be deemed the first public hearing on the application subject to noticing requirements as set forth in Section 12-21-050(c)(2). After the public hearing, the Planning Commission may modify the proposed General Plan. The Planning Commission shall then forward its recommendation regarding the proposed General Plan amendment to the City Council.

(5) The City Council shall schedule and hold a public hearing on the proposed General Plan recommended to it by the Planning Commission. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. The public hearing before the City Council shall be deemed an additional or subsequent public hearing on the application subject to noticing requirements as set forth in Section 12-21-050(c)(3).

* * *

12-21-080. Zoning Map and Text Amendments.

* * *

(3) The Planning Commission shall schedule and hold a public hearing on the proposed amendment. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. <u>The public hearing before the Planning Commission shall be deemed the first public hearing on the application subject to noticing requirements as set forth in Section 12-21-050(c)(2). Prior to the public hearing regarding any zoning map amendment, the Planning Commission shall consider each written objection filed in accordance with *Utah Code Ann.* § 10-9a-502, as amended.</u> After the public hearing, the Planning Commission shall review the application and thereafter submit its recommendation for approval, approval with modifications, or denial thereof to the City Council. <u>The Planning Commission shall forward to the City Council all objections to a zoning map amendment filed in accordance with *Utah Code Ann.* § 10-9a-502, as amended.</u>

(4) Following receipt of a recommendation from the Planning Commission, the City Council shall schedule and hold a public hearing on the application. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. <u>The public hearing before the City Council shall be deemed an additional or subsequent public hearing on the application subject to noticing requirements as set forth in Section 12-21-050(c)(3).</u> Following a public hearing and after due consideration the City Council may approve, approve with modifications, or deny the proposed amendment.

(e) *Approval Standards.* A decision to amend the text of this Title or the zoning map is a matter within the legislative discretion of the City Council as described in Section 12-21-060(a) of this Chapter. In making an amendment, the following factors should be considered:
(1) Whether the proposed <u>text or map</u> amendment is consistent with goals, objectives and policies of the City's General Plan;
(2) Whether the proposed <u>map</u> amendment is harmonious with the overall character of existing development in the vicinity of the subject property;

(3) The extent to which the proposed map amendment may adversely affect adjacent property; and

(4) For proposed map amendments, the ~~The~~ adequacy of facilities and services intended to serve the subject property, including, but not limited to, roadways, parks and recreation facilities, police and fire protection, schools, stormwater drainage systems, water supplies, and waste water and refuse collection.

12-21-100. Conditional Use Permit.

* * *

(4) The Planning Commission shall schedule and hold a public hearing on the proposed conditional use permit application. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. After due consideration the Planning Commission shall approve, approve with conditions, or deny the application pursuant to the standards set forth in Section 12-21-100(e) of this section. A conditional use shall be approved if reasonable conditions are proposed, or can be imposed, to mitigate the reasonably anticipated detrimental effects of the proposed use in accordance with applicable standards. If the reasonably anticipated detrimental effects of the proposed conditional use cannot be substantially mitigated by the proposal or the imposition of reasonable conditions to achieve compliance with applicable standards, the conditional use may be denied. Any conditions of approval shall be limited to conditions needed to conform the conditional use permit to approval standards.

* * *

12-21-110. Site Plan Review.

* * *

(4) The Planning Commission shall schedule and hold a public hearing on the proposed conceptual site plan. Public notice of the public hearing and public meeting shall be provided in accordance with the provisions of Section 12-21-050. After due consideration, the Planning Commission shall accept, accept with conditions, or reject the application pursuant to the standards set forth herein. Any conditions of acceptance shall be limited to conditions needed to conform the conceptual site plan to approval standards and ordinance requirements. Any conceptual site plan acceptance for a planned development shall not be effective until and unless a corresponding Planned Development Overlay Zone is approved by the City Council.

* * *

12-21-120. Special Exception.

* * *

(4) The Planning Commission shall consider at a public meeting ~~schedule and hold a public hearing regarding~~ the proposed special exception application. Public notice of the public hearing and the public meeting shall be provided in accordance with the provisions of Section 12-21-050. After due consideration the Planning Commission shall approve, approve with conditions or deny the application pursuant to the standards set forth in Section 12-21-120(e) of this section. Any conditions of approval shall be limited to conditions needed to conform the special exception to approval standards.

* * *

LAND USE AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melvin R. Brown

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill modifies provisions governing land use.

Highlighted Provisions:

This bill:

- requires a municipality or county to give notice to an owner of private real property if the property is located within an area located in a proposed zoning map or map amendment;
- permits an owner of private real property located within a proposed zoning map or map amendment to file a written objection to the zoning map or map amendment;
- requires the planning commission to consider the written objections and forward them to the legislative body; and
- makes technical and conforming amendments.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-9a-205, as last amended by Laws of Utah 2010, Chapters 90 and 123

10-9a-502, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-205, as last amended by Laws of Utah 2010, Chapters 90 and 123

17-27a-502, as renumbered and amended by Laws of Utah 2005, Chapter 254

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **10-9a-205** is amended to read:

10-9a-205. Notice of public hearings and public meetings on adoption or modification of land use ordinance.

(1) Each municipality shall give:

(a) notice of the date, time, and place of the first public hearing to consider the adoption or any modification of a land use ordinance; and

(b) notice of each public meeting on the subject.

(2) Each notice of a public hearing under Subsection (1)(a) shall be:

(a) mailed to each affected entity at least 10 calendar days before the public hearing;

(b) posted:

(i) in at least three public locations within the municipality; or

(ii) on the municipality's official website; and

(c) (i) (A) published in a newspaper of general circulation in the area at least 10 calendar days before the public hearing; and

(B) published on the Utah Public Notice Website created in Section 63F-1-701, at least 10 calendar days before the public hearing; or

(ii) mailed at least 10 days before the public hearing to:

(A) each property owner whose land is directly affected by the land use ordinance change; and

(B) each adjacent property owner within the parameters specified by municipal ordinance.

(3) Each notice of a public meeting under Subsection (1)(b) shall be at least 24 hours before the meeting and shall be posted:

(a) in at least three public locations within the municipality; or

(b) on the municipality's official website.

<u>(4) (a) If a municipality plans to hold a public hearing in accordance with Section</u>

10-9a-502 to adopt a zoning map or map amendment, the municipality shall send a courtesy notice to each owner of private real property whose property is located entirely or partially within the proposed map at least 10 days prior to the scheduled day of the public hearing.

(b) The notice shall:

(i) identify with specificity each owner of record of real property that will be affected by the proposed zoning map or map amendments;

(ii) state the current zone in which the real property is located;

(iii) state the proposed new zone for the real property;

(iv) provide information regarding or a reference to the proposed regulations, prohibitions, and permitted uses that the property will be subject to if the zoning map or map amendment is adopted;

(v) state that the owner of real property may no later than 10 days after the day of the first public hearing file a written objection to the inclusion of the owner's property in the proposed zoning map or map amendment;

(vi) state the address where the property owner should file the protest;

(vii) notify the property owner that each written objection filed with the municipality will be provided to the municipal legislative body; and

(viii) state the location, date, and time of the public hearing described in Section 10-9a-502.

(c) If a municipality mails notice to a property owner in accordance with Subsection (2)(c)(ii) for a public hearing on a zoning map or map amendment, the notice required in this Subsection (4) may be included in or part of the notice described in Subsection (2)(c)(ii) rather than sent separately.

Section 2. Section **10-9a-502** is amended to read:

10-9a-502. Preparation and adoption of land use ordinance or zoning map.

(1) The planning commission shall:

(a) provide notice as required by Subsection 10-9a-205(1)(a) and, if applicable, Subsection 10-9a-205(4);

(b) hold a public hearing on a proposed land use ordinance or zoning map; [~~and~~]

(c) if applicable, consider each written objection filed in accordance with Subsection 10-9a-205(4) prior to the public hearing; and

[~~(c)~~] (d) (i) prepare and recommend to the legislative body a proposed land use ordinance or ordinances and zoning map that represent the planning commission's recommendation for regulating the use and development of land within all or any part of the area of the municipality[~~.~~]; and

(ii) forward to the legislative body all objections filed in accordance with Subsection 10-9a-205(4).

(2) The municipal legislative body shall consider each proposed land use ordinance and zoning map recommended to it by the planning commission, and, after providing notice as required by Subsection 10-9a-205(1)(b) and holding a public meeting, the legislative body may adopt or reject the ordinance or map either as proposed by the planning commission or after making any revision the municipal legislative body considers appropriate.

Section 3. Section **17-27a-205** is amended to read:

17-27a-205. Notice of public hearings and public meetings on adoption or modification of land use ordinance.

(1) Each county shall give:

(a) notice of the date, time, and place of the first public hearing to consider the adoption or modification of a land use ordinance; and

(b) notice of each public meeting on the subject.

(2) Each notice of a public hearing under Subsection (1)(a) shall be:

(a) mailed to each affected entity at least 10 calendar days before the public hearing;

(b) posted:

(i) in at least three public locations within the county; or

(ii) on the county's official website; and

(c) (i) published:

(A) in a newspaper of general circulation in the area at least 10 calendar days before the public hearing; and

(B) on the Utah Public Notice Website created in Section 63F-1-701, at least 10 calendar days before the public hearing; or

(ii) mailed at least 10 days before the public hearing to:

(A) each property owner whose land is directly affected by the land use ordinance change; and

(B) each adjacent property owner within the parameters specified by county ordinance.

(3) Each notice of a public meeting under Subsection (1)(b) shall be at least 24 hours before the hearing and shall be posted:

(a) in at least three public locations within the county; or

(b) on the county's official website.

(4) (a) If a county plans to hold a public hearing in accordance with Section 17-27a-502 to adopt a zoning map or map amendment, the municipality shall send a courtesy notice to each owner of private real property whose property is located entirely or partially within the proposed map at least 10 days prior to the scheduled day of the public hearing.

(b) The notice shall:

(i) identify with specificity each owner of record of real property that will be affected by the proposed zoning map or map amendments;

(ii) state the current zone in which the real property is located;

(iii) state the proposed new zone for the real property;

(iv) provide information regarding or a reference to the proposed regulations, prohibitions, and permitted uses that the property will be subject to if the zoning map or map amendment is adopted;

(v) state that the owner of real property may no later than 10 days after the day of the first public hearing file a written objection to the inclusion of the owner's property in the proposed zoning map or map amendment;

(vi) state the address where the property owner should file the protest;

(vii) notify the property owner that each written objection filed with the county will be provided to the municipal legislative body; and

(viii) state the location, date, and time of the public hearing described in Section 17-27a-502.

(c) If a county mails notice to a property owner in accordance with Subsection (2)(c)(ii) for a public hearing on a zoning map or map amendment, the notice required in this Subsection (4) may be included in or part of the notice described in Subsection (2)(c)(ii) rather than sent separately.

Section 4. Section **17-27a-502** is amended to read:

17-27a-502. Preparation and adoption of land use ordinance or zoning map.

(1) The planning commission shall:

(a) provide notice as required by Subsection 17-27a-205(1)(a) and, if applicable, Subsection 17-27a-205(4);

(b) hold a public hearing on a proposed land use ordinance or zoning map; [~~and~~]

(c) if applicable, consider each written objection filed in accordance with Subsection 17-27a-205(4) prior to the public hearing; and

[~~(c)~~] (d) (i) prepare and recommend to the legislative body a proposed land use ordinance or ordinances and zoning map that represent the planning commission's recommendation for regulating the use and development of land within all or any part of the unincorporated area of the county[~~.~~]; and

(ii) forward to the legislative body all objections filed in accordance with Subsection 17-27a-205(4).

(2) The county legislative body shall consider each proposed land use ordinance and zoning map recommended to it by the planning commission, and, after providing notice as required by Subsection 17-27a-205(1)(b) and holding a public meeting, the legislative body may adopt or reject the proposed ordinance or map either as proposed by the planning commission or after making any revision the county legislative body considers appropriate.

General Plan Amendments

NOTICE OF INTENT

Before preparing any general plan amendment must provide 10 calendar day notice of intent to prepare amendment

Notice of Intent shall be provided to: affected entities; automated geographic reference center; association of governments; and UPNW

→

NOTICE OF FIRST PUBLIC HEARING

Must provide 10 calendar day notice of the first public hearing on general plan amendment

Notice of first public hearing shall be provided by: posting on UPNW; posting on City website; publishing in newspaper; and mailing to affected entities

→

APPLICANT NOTICE

City must provide applicant with notice of the date, time and place of each public hearing and public meeting to consider general plan amendment and must provide applicant with copy of Staff Report at least 3 business days before the hearing or meeting

↓

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of public meeting

Notice of meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and providing notice to newspaper or media correspondent

→

PLANNING COMMISSION PUBLIC HEARING ON GENERAL PLAN AMENDMENT

→

NOTICE OF SUBSEQUENT PUBLIC HEARING

Must provide 10 calendar day notice of any subsequent public hearing on general plan amendment before PC or CC

Notice of subsequent public hearings shall be provided by: posting on UPNW; and posting on City website

↓

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of the public meeting

Notice of the meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and provideing notice to newspaper or media correspondent

→

CITY COUNCIL PUBLIC HEARING ON GENERAL PLAN AMENDMENT

→

FINAL APPLICANT NOTICE

City must provide applicant with notice of any final action or decision on pending application by decision-making body

Notice must be provided within a reasonable time and may be mailed or emailed to the applicant

Zoning Ordinance Text Amendments

NOTICE OF FIRST PUBLIC HEARING

Must provide 10 calendar day notice of the first public hearing on zoning ordinance text amendments

Notice of first public hearing shall be provided by: posting on UPNW; posting on City website; publishing in newspaper; and mailing to affected entities

APPLICANT NOTICE

City must provide applicant with notice of the date, time and place of each public hearing and public meeting to consider zoning ordinance text amendment and must provide applicant with copy of Staff Report at least 3 business days before the hearing or meeting

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of public meeting

Notice of meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and providing notice to newspaper or media correspondent

PLANNING COMMISSION PUBLIC HEARING ON ZONING ORDINANCE TEXT AMENDMENT

NOTICE OF SUBSEQUENT PUBLIC HEARING

Must provide 10 calendar day notice of any subsequent public hearing on zoning ordinance text amenmdent before PC or CC

Notice of subsequent public hearings shall be provided by: posting on UPNW; and posting on City website

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of public meeting

Notice of meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and providing notice to newspaper or media correspondent

CITY COUNCIL PUBLIC HEARING ON ZONING ORDINANCE TEXT AMENDMENT

FINAL APPLICANT NOTICE

City must provide applicant with notice of any final action or decision on pending application by decision-making body

Notice must be provided within a reasonable time and may be mailed or emailed to the applicant

Zoning Map Amendments

NOTICE OF FIRST PUBLIC HEARING

Must provide 10 calendar day notice of the first public hearing on zoning map amendments

Notice of first public hearing shall be provided by: posting on UPNW; posting on City website; publishing in newspaper; and maiing to affected entities

COURTESY NOTICE TO PROPERTY OWNERS

Must provide 10 calendar day courtesy notice of first public hearing on rezone to each owner of private real property whose property is subject to rezone

CITY ONSITE POSTING

Must post on-site notice of proposed rezone at least 10 calendar days before the public hearing

APPLICANT NOTICE

City must provide applicant with notice of the date, time and place of each public hearing and public meeting to consider zoning map amendment and must provide applicant with copy of Staff Report at least 3 business days before the hearing or meeting.

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of public meetings

Notice of meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and providing notice to newspaper or media correspondent

PLANNING COMMISSION PUBLIC HEARING ON ZONING MAP AMENDMENT

NOTICE OF SUBSEQUENT PUBLIC HEARING

Must provide 10 calendar day notice of any subsequent public hearing on zoning map amenmdent before PC or CC

Notice of subsequent public hearings shall be provided by: posting on UPNW; and posting on City website

NOTICE OF MEETING

City must provide 24 hour notice of the agenda, date, time and place of public meeting

Notice of meeting shall be provided by: posting at City Hall; posting on UPNW; posting on City website; and providing notice to newspaper or media correspondent

CITY COUNCIL PUBLIC HEARING ON ZONING MAP AMENDMENT

FINAL APPLICANT NOTICE

City must provide applicant with notice of any final action or decision on pending application by decision-making body

Notice must be provided within a reasonable time and may be mailed or emailed to the applicant

PROPOSED CENTERVILLE CITY ZONING ORDINANCE TEXT AMENDMENTS

Noticing and Public Hearing Requirements for Zoning Ordinance Amendments and Applications

February 18, 2014

Initiated in Response to HB 88

- HB 88 passed in 2013 General Session
- Requires cities to provide additional courtesy notice to property owners of real property whose property is subject to a zoning map amendment (rezone)
- Also conducted a more comprehensive review of notice and public hearing requirements
- Recommend additional amendments to address electronic noticing as required and/or encouraged by State law

Intent of Proposed Revisions

- To bring ordinances into compliance with State law requirements
- To provide more effective notice
- To clarify first public hearing requirements
- To retain broad opportunities for public input over and above State law requirements

Recommended Procedure

- Staff presentation of proposed amendments
- Public hearing on proposed amendments
- City Council discussion or questions
- Table matter for further discussion

Annual Notice of Meeting Schedule

- Required to post and provide notice of annual meeting schedule in accordance with Utah Open and Public Meetings Act
- Recommend: Add posting and notice requirements for annual meeting schedule per State law

24 Hour Notice of Meeting

- Required to post and provide 24 hour notice of each meeting in accordance with Utah Open and Public Meetings Act
- Required Amendment: Add posting on UPNW per State law
- Recommend: Add posting on City Website; eliminate posting in 3 public places (leave posting at City Hall)

Applicant Notice

- Required to notify applicants of date, time and place of each public hearing and public meeting to consider application
- Required to provide applicants with copy of each Staff Report at least 3 business days before hearing or meeting
- Required to notify applicants of final action
- Recommend: Add provision that applicant notice will be by email or mail to address provided by applicant

First Public Hearing

- Clarify what is "first public hearing" for any given application
- Notice for "first public hearing" shall follow State law
- Requires at a minimum, publishing notice on UPNW and posting on City Website; eliminate posting in 3 public places
- For General Plan, Zoning Ordinance or Map amendments, also requires published notice in newspaper and mailed notice to affected entities
- For Zoning Map amendments, also required to give courtesy notice per HB 88

Subsequent Public Hearings

- Clarify what is "subsequent public hearing" on any given application
- No State law requirement for subsequent public hearing notice (other than applicant notice and meeting notice)
- Recommend: Provide notice by publishing on UPNW and posting on City Website

On-Site Notice

- City Ordinances provide courtesy on-site notice of first public hearing regarding zoning map amendment, conditional use permit, or conceptual site plan
- On-site notice is posted on property that is representative of proposed project area
- Not required by State law
- No changes are proposed to on-site noticing

General Plan Amendments

- Required to provide notice of intent to prepare amendments to General Plan
- Required to provide notice of each public meeting regarding General Plan amendments
- Required to provide notice of first public hearing regarding General Plan amendments
- Required Amendments: Add posting to UPNW; eliminate State Planning Coordinator for NOI
- Recommend: Eliminate 3 public places; add posting on City Website
- Recommend: Clarify public hearing before PC is the first public hearing and public hearing before CC is subsequent public hearing

Zoning Ordinance Amendments

- Required to provide notice of each public meeting regarding Zoning Ordinance amendments
- Required to provide notice of first public hearing regarding Zoning Ordinance amendments
- Required Amendments: Add posting to UPNW
- Recommend: Eliminate 3 public places; add posting on City Website
- Recommend: Clarify public hearing before PC is the first public hearing and public hearing before CC is subsequent public hearing

Zoning Map Amendments (Rezone)

- Required to provide notice of each public meeting regarding Zoning Map amendments
- Required to provide notice of first public hearing regarding Zoning Map amendments
- Required to provide courtesy notice to property owners whose property is proposed for rezone
- Required Amendments: Add posting to UPNW; add courtesy notice for owner and consideration of objections
- Recommend: Eliminate 3 public places; add posting on City Website
- Recommend: Clarify public hearing before PC is the first public hearing and public hearing before CC is subsequent public hearing

Keep the Public Involved with Effective Public Notice and Public Hearings

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 4.

Short Title: Infrastructure Improvements Agreement with Henry Walker Homes

Initiated By: City Attorney

Scheduled Time: 8:00

SUBJECT

Consider Infrastructure Improvements Agreement (Prior to Recording Final Plat) with Henry Walker Homes regarding commencement of construction for Woods Park PDO

RECOMMENDATION

Approve Infrastructure Improvements Agreement (Prior to Recording Final Plat) with Henry Walker Homes regarding commencement of construction for Woods Park PDO

BACKGROUND

Current Centerville City Ordinances require developers to record the final subdivision plat and post a bond for all public improvements associated with the development prior to conducting any development activity on the property. The Utah Legislature adopted SB 153 in the 2013 legislative session, amending Section 10-9a-604.5 of the Utah Code to allow developers to commence construction and installation of infrastructure and utility improvements prior to recording the final plat (thereby eliminating the required bonding for such improvements). Henry Walker Homes, the owner and developer of the Woods Park PDO Subdivision has requested the City allow them to commence construction of improvements and utilities associated with the project prior to recording the final plat as allowed under SB 153. While the City is in the process of amending it ordinances to comply with the provisions and procedures set forth in SB 153, the City does not yet have ordinances in place to allow for such commencement of construction prior to recording of the plat. In order to maintain compliance with State law, the City is willing to enter into an Infrastructure Development Agreement with Henry Walker Homes outlining the requirements for commencement of construction prior to recording the final plat. As provided in the Agreement, Henry Walker Homes will be required to bond for any and all improvements within the public rights-of-way and for the detention basin, but will not be required to immediately bond for improvements and infrastructure within the proposed subdivision. A copy of SB 153 and the proposed Infrastructure Development Agreement is attached hereto. Staff recommends approval of the Infrastructure Development Agreement between the City and HWD Woods Park, LLC.

ATTACHMENTS:

Description

- Infrastructure Development Agreement
- Exhibit A
- Exhibit B
- Exhibit C
- Exhibit D
- SB 153

When recorded, return to:

Centerville City
Attn: City Recorder
250 North Main Street
Centerville, Utah 84014

Effects Parcel Nos.: 07-070-0123

INFRASTRUCTURE DEVELOPMENT AGREEMENT
(PRIOR TO RECORDING FINAL PLAT)
BETWEEN CENTERVILLE CITY AND HENRY WALKER HOMES, LLC FOR THE WOODS PARK PLANNED DEVELOPMENT (PDO)

THIS INFRASTRUCTURE DEVELOPMENT AGREEMENT ("Agreement") is made and entered into as of the ________ day of March, 2014, by and between **CENTERVILLE CITY**, a Utah municipal corporation ("City") and **HWD WOODS PARK, LLC,** a Utah limited liability company ("HWD" or "Developer").

RECITALS:

A. HWD owns approximately 5.42 acres of real property located at the southeastern corner of 2200 North (Lund Lane) and 800 West (Frontage Road) in Centerville City, Davis County, State of Utah, as more particularly described in **Exhibit A,** attached hereto and incorporated herein by this reference (the "Property"); and

B. The Property has previously received rezone and final plat approval for subdivision and development of the Property into 29 residential lots as a Planned Development as more particularly shown in the approved, but not yet recorded, Woods Park Subdivision Final Plat, as set forth in **Exhibit "B,"** attached hereto and incorporated herein by this reference ("Final Plat" or "Subdivision"); and

C. Development of the Property is subject to the terms and conditions of that certain Development Agreement as recorded against the property as Entry No. 2731793, Book No. 5743, Pages 390-430, incorporated herein by this reference, regarding certain obligations and restrictions for the development of the Property and establishing the adequacy of drainage facilities necessary for development ("Development Agreement"); and

D. Centerville City Ordinances currently require subdivision developers to record the final subdivision plat and to post a bond with required security for the estimated cost of all public improvements and other required utilities and infrastructure improvements within the subdivision prior to any construction or development of the subject property; and

E. Pursuant to SB 153, as adopted by the Utah Legislature in the 2013 General Session, developers may be permitted to begin construction of required utilities and infrastructure within the proposed subdivision prior to recording the final subdivision plat; and

F. In accordance with the provisions of SB 153, HWD desires to commence construction of the required utilities and infrastructure for the Subdivision, both within the subdivision and within portions of the public rights-of-way, prior to recording of the Final Plat; and

G. The City is willing to allow HWD to commence construction of the required utilities and infrastructure for the Subdivision, both within the subdivision and within portions of the public rights-of-way, prior to recording the Final Plat, subject to the terms and conditions of this Agreement and compliance with all applicable City Ordinances; and

H. The purpose of this Agreement is to contractually reduce to writing the respective agreements and understandings of the parties regarding the installation of the required utilities and infrastructure improvements for the Subdivision, both within the subdivision and within portions of the public rights-of-way, prior to recording the Final Plat.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals**. The above Recitals are hereby incorporated into this Agreement.

2. **Planned Development Overlay Approval**. All development within the Subdivision and use of the Property shall be subject to and shall comply with the terms and conditions of the Zone Map Amendment and Rezone of the Property from Agricultural-Low (A-L) to Residential-Low (R-L) with a Planned Development Overlay (PDO), as approved by the City Council on April 2, 2013 by Ordinance No. 2013-05 ("Rezone Approval"). No additional property may be added to the Property or the Planned Development described herein for the purposes of this Agreement except by written amendment to this Agreement approved and executed by the parties. Nothing herein shall impact or affect the City Council's legislative decision-making authority with

respect to the Rezone Approval. The purpose of this Agreement is merely to address and allow installation of utilities and infrastructure prior to recording the Final Plat.

3. **Subdivision Approval**. All development within the Subdivision and use of the Property shall be subject to and shall comply with the terms and conditions of the Final Plat, as approved by the City Council on August 6, 2013, and applicable provisions of the Centerville City Subdivision Ordinance. Nothing herein shall impact or affect the City's administrative decision-making authority with respect to approval of the Final Plat. The purpose of this Agreement is merely to address and allow installation of utilities and infrastructure prior to recording the Final Plat.

4. **Development Agreement**. All development within the Subdivision and use of the Property shall be subject to and shall comply with the terms and conditions of the Development Agreement, as approved by the City Council and recorded against the Property. Nothing herein shall impact or affect the City's administrative decision-making authority with respect to approval of the Development Agreement. The purpose of this Agreement is merely to address and allow installation of utilities and infrastructure prior to recording the Final Plat.

5. **Authority to Commence Installation of Infrastructure and Utilities**. Subject to and conditioned upon the terms and conditions of this Agreement and compliance with applicable City Ordinances and permit requirements, the Developer is authorized to install certain infrastructure and utilities for the Woods Park Subdivision, both within the Subdivision and within portions of the public rights-of-way. Such infrastructure and utilities include those improvements as more particularly set forth in the Engineer's Estimate dated January 24, 2014 ("Engineer's Estimate"), as attached hereto and incorporated herein by this reference as **Exhibit "C,"** including, but not limited to, streets, sidewalks, curbs, gutters, sewer, storm drains, subdrains, irrigation, culinary water, detention basin, landscaping, street lights, etc. ("Infrastructure and Utilities").

6. **Assumption of Risk**. Developer acknowledges that City Ordinances currently require final subdivision plats to be recorded prior to installation of infrastructure and utilities and a bond to be posted or provided to the City for the estimated cost of all such improvements. Developer acknowledges that it is requesting the City to allow Developer to proceed with the installation of Infrastructure and Utilities prior to recording the Final Plat pursuant to authority under SB 153 and Developer acknowledges it is proceeding at its own risk. Developer further understands that before the Final Plat can be recorded, Developer shall be required to comply with all conditions precedent as provided herein and as otherwise required by City Ordinances. Developer further acknowledges that the Engineer's Estimate for Infrastructure and Utilities as set forth herein are merely estimates and that Developer is required to install and pay for the actual cost of such improvements, whether such costs exceed the Engineer's Estimate or not.

7. **Infrastructure and Utilities within Public Rights-of-Way**. The installation of any Infrastructure and Utilities within the existing public rights-of-way or affecting City infrastructure shall comply with all City Ordinances and requirements regarding construction within the public right-of-way. Developer shall be required to obtain an Excavation Permit for construction within or the installation of any Infrastructure and Utilities in existing public rights-of-way. Developer shall be required to enter into the City's standard Improvements Agreement and to post a cash bond for the estimated amount of any and all Infrastructure and Utilities within the public rights-of-way or affecting City infrastructure, plus contingency, as more particularly described in the Engineer's Estimate set forth in **Exhibit C.** As set forth in the Engineer's Estimate, Developer shall be required to post a cash bond in the amount of **$594,036** relating to Utilities and Infrastructure within the public rights-of-way or affecting City infrastructure. A fully signed and executed Improvements Agreement and cash bond shall be provided to the City prior to issuance of an Excavation Permit for any work within the existing public rights-of-way. Developer shall be required to obtain the Excavation Permit, with executed Improvements Agreement and cash bond, for the construction of Infrastructure and Utilities within the public rights-of-way prior to commencement of construction or installation of or issuance of a permit for of any Infrastructure and Utilities within the Subdivision (more particularly described in Section 8).

8. **Infrastructure and Utilities within Subdivision**. The installation of any Infrastructure and Utilities within the Subdivision shall comply with all City Ordinances and permitting requirements regarding construction of public improvements and subdivision infrastructure. Except as otherwise provided herein or in the Engineer's Estimate, such as for the Detention Basin improvements and culinary water line improvements, the Developer shall not be required to bond for or enter into an Improvements Agreement for Infrastructure and Utilities located solely within the Subdivision. Infrastructure and Utilities that are not required to be bonded for are more particularly described in the Engineer's Estimate as "on-site" improvements. The total estimated amount of such Infrastructure and Utilities within the Subdivision, plus contingency, is **$650,378.40,** as more particularly described in the Engineer's Estimate set forth in **Exhibit C.** The Detention Basin improvements are to be bonded for and included in the Improvements Agreement for public rights-of-way improvements as described in Section 7. Developer shall not be permitted to install or obtain a permit to install any Infrastructure and Utilities within the Subdivision until and unless Developer has obtained an Excavation Permit for Infrastructure and Utilities within the public rights-of-way as provided in Section 7. Developer acknowledges that a portion of the Property is located within FEMA designated Flood Plain and handles runoff from Lone Pine Creek that flows adjacent to and through the Property, necessitating construction of the Detention Basin and other drainage improvements for development of the Property.

9. **Culinary Water Improvements.** The City installs its own culinary water line improvements for all subdivisions or developments. In accordance with applicable City Ordinances, Developer shall be required to pay to the City the estimated cost of

construction of the culinary water line improvements for the Subdivision in the amount of **$203,245.20,** as more particularly set forth in **Exhibit D,** attached hereto and incorporated herein by this reference. The estimated culinary water line costs shall be paid to the City prior to issuance of an Excavation Permit for installation of Infrastructure and Utilities in the public rights-of-way. The estimated cost of the culinary water line improvements is merely an estimate and Developer shall be required to pay for the actual cost of construction which shall be determined by the City after completion of the improvements. The City shall send Developer an invoice for any additional costs and/or return to Developer any excess funds from the estimated amount. If the Final Plat is not recorded by June 12, 2014, Developer shall provide the City with a permanent easement, including legal description to be prepared by Developer, for the proposed and/or installed culinary water line improvements within the Subdivision. Such permanent easement shall be provided to the City by June 30, 2014.

10. **Irrigation Line Improvements.** The Engineer's Estimate includes estimates for irrigation line improvements for the Subdivision, including lateral, valves and the looping of a 24" irrigation line near or within Lund Lane and Frontage Road. Weber Basin Water Conservancy District ("Weber Basin") requires the irrigation line improvements be installed before the irrigation system is turned on for the season or after the season is over (i.e., before April 1, 2014 or after October 15, 2014). The City agrees that, upon approval of the irrigation line improvements by Weber Basin, Developer may obtain an Excavation Permit from the City for just the irrigation line improvements prior to bonding for and obtaining an Excavation Permit for all other Infrastructure and Utilities within the public rights-of-way due to the urgency and timing requirements for these improvements.

11. **Inspection and Development Fees.** Developer shall be required to pay all required inspection, development and impact fees as more particularly described in the Engineer's Estimate, set forth in **Exhibit C.** Such inspection and impact fees are estimated to be **$60,188.50.** The inspection and impact fees shall be paid prior to issuance of an Excavation Permit for installation of Infrastructure and Utilities in the public rights-of-way. Additional inspection, development and/or impact fees shall be due at the time of issuance of a building permit for construction of homes within the Subdivision, in accordance with applicable City Ordinances.

12. **Utility Disconnect and Site Unwinding Deposit**. Developer agrees to provide a **$25,000** cash bond for the purpose of securing site reclamation, erosion control, utility disconnect, and other necessary issues, should Developer fail to record the Final Plat by June 12, 2014, and/or fail to complete all Infrastructure and Utilities in accordance with City Ordinance requirements and deadlines ("Site Unwinding Deposit"). If Developer fails to record the Final Plat by June 12, 2014, the City shall issue a stop work order prohibiting further installation of the Infrastructure and Utilities and/or development within the Subdivision. In addition to the stop work order and any other remedy allowed by law or City Ordinance, the Site Unwinding Deposit, or any portion thereof, may be used by the City to restore the Property and/or to remedy any

breach of this Agreement or Ordinance violation. The Site Unwinding Deposit is included as part of the Engineer's Estimate in the cash bond amount required in Section 7.

13. **Construction Drawings**. Developer shall submit final project plans, profiles, design, specifications and construction drawings ("Construction Drawings") for all Infrastructure and Utilities for review and approval by the City Engineer. Construction Drawings must be approved by the City Engineer prior to commencement of any development activity on the Property and prior to issuance of any permits for development. All Infrastructure and Utilities shall be constructed and installed in accordance with approved Construction Drawings and applicable City Ordinances and specifications as determined necessary by the City Engineer. Any installation or construction of Infrastructure and Utilities that does not comply with the approved Construction Drawings shall be deemed a breach of this Agreement in addition to any applicable Ordinance violations or bond security. Construction Drawings shall also be approved by applicable utility providers as more particularly set forth in Section 14.

14. **Approval from Affected Utilities**. Developer shall obtain any required permits or approvals from affected utility providers, local districts, water authority, canal companies or other affected entities, including approval of applicable Construction Drawings, prior to installation of any Infrastructure and Utilities for the Subdivision. Developer shall provide the City with letters or other evidence of approval from affected utilities prior to issuance of an Excavation Permit for the installation of Infrastructure and Utilities within the public rights-of-way and prior to commencement of construction or installation of the Infrastructure and Utilities within the Subdivision.

15. **Temporary Construction Easements**. Developer hereby grants the City a temporary construction and access easement on and over the Property and grants its permission to the City, its agents, inspectors and contractors, to install, complete, repair and inspect the construction of the culinary water line, the Infrastructure and Utilities, and any other public improvements within the Subdivision.

16. **Erosion Control and SWPP**. Developer shall provide all required erosion control and SWPP plans and approvals prior to commencement of construction of any Infrastructure and Utilities. Developer shall comply with all requirements of such plans and permits and shall comply with all required storm water protection BMPs.

17. **Preconstruction Meeting**. Prior to any commencement of construction on Infrastructure and Utilities, within the public rights-of-way or the Subdivision, Developer shall be required to attend a Pre-Construction Meeting with City staff to coordinate work and required inspections on the project and to review required payment of fees.

18. **Commencement of Infrastructure and Improvements**. Developer shall not commence construction of any Infrastructure and Utilities within the Subdivision until and unless Developer has obtained an Excavation Permit for improvements within

the public rights-of-way, signed and executed an Improvements Agreement, posted cash bond for the Improvements Agreement, paid all required inspection and impact fees, paid for the estimated cost of the culinary water line installation, obtained approved Construction Drawings, submitted approved SWPPP, held pre-construction meeting with City, and met all other applicable City Ordinance requirements, including applicable permitting.

19. **Inspections**. Developer shall request all required inspections and approvals of Infrastructure and Utilities as required under City Ordinances, standards and permits. Failure by Developer to obtain and pass required inspections and testing for Infrastructure and Utilities will affect final approval and acceptance of such improvements and shall require removal or excavation for inspection or re-inspection at Developer's sole cost and expense. If Developer fails to obtain or pass required inspections and testing for Infrastructure and Utilities, the City shall issue a stop work order for development within the Subdivision, and Developer shall be required to obtain the required inspections or conduct the testing and to fix or remedy any deficiencies in improvements. Developer cannot record the Final Plat until and unless all required inspections and testing have been conducted and any deficiencies have been remedied for any and all Infrastructure and Utilities installed to date.

20. **Deadline for Recording Final Plat**. It is expressly acknowledged that Final Plat approval and the required date for recording of the Final Plat have been extended to June 12, 2014. The Final Plat must be recorded by June 12, 2014, or shall become null and void. There are no additional extensions for recording of the Final Plat under City Ordinances. Developer agrees to accept all risk and liability for expiration of Final Plat approval, including any improvements and installation of Infrastructure and Utilities, should Developer fail to record the Final Plat by June 12, 2014. If Developer fails to record the Final Plat by June 12, 2014, the City shall issue a stop work order prohibiting further installation of the Infrastructure and Utilities and/or development within the Subdivision.

21. **Bonding for Remaining Infrastructure**. Any Infrastructure and Utilities that have not been completed shall be bonded for in accordance with City Subdivision Ordinance requirements, including entering into an Improvements Agreement and submitting cash bond, prior to recording the Final Plat. Developer shall notify the City and request City Engineer inspection of completed and partial completed improvements at least fourteen (14) days prior to Final Plat recording. The City Engineer shall determine the extent and adequacy of the completed or partially completed Infrastructure and Utilities and determine what improvements need to be bonded for prior to Final Plat recording. The City Engineer shall prepare a revised Engineer's Estimate for remaining improvements. Only fully completed Infrastructure and Utilities will be excused from bonding with Final Plat.

22. **Acceptance of Improvements**. The City shall not accept any Infrastructure and Utilities until all Infrastructure and Utilities for the entire Subdivision are complete. Upon completion of all Infrastructure and Utilities, Developer shall

request final inspection and approval by the City Engineer. The City shall not accept any Infrastructure and Utilities until and unless the Final Plat has been recorded. The City may permit bond releases for completed Infrastructure and Utilities in accordance with applicable City Ordinances and terms and conditions of the Improvements Agreement.

23. **Location of Utilities and Utility Company Approval**. Developer shall verify to the City the location of all installed Infrastructure and Utilities, including public improvements and streets and private utilities located in the public rights-of-way and within the Subdivision. Developer shall submit to the City approval letters or other evidence of approval from all utilities companies verifying acceptance of the improvements prior to recording the Final Plat.

24. **Lien Waiver and Release**. Developer shall provide the City with lien waiver and release of all liens and encumbrances for the Property, the Infrastructure and Utilities, and any other potential mechanics liens or encumbrances, including, but not limited to any lien or right to a lien for services, labor, or materials furnished. Such lien waiver and release shall be provided prior to recoding the Final Plat.

25. **Final Plat Recording**. Developer shall comply with all applicable City Ordinance regarding recording of final plats. Developer shall be required to provide the City with a title report (current within 30 days of submission) for review with the Final Plat.

26. **Warranty**. Developer shall warrant all workmanship for completed and accepted Infrastructure and Utilities for a period of one (1) year, which warranty period shall not commence until all Infrastructure and Utilities have been completed and accepted by the City and the Final Plat is recorded. The City shall not be held responsible or liable for any accident, loss or damage to Infrastructure and Utilities prior to completion and acceptance of the same by the City. Developer shall post a cash bond as security during the warranty period an amount of ten percent (10%) of the lesser of the Engineer's Estimate for the cost of all improvements or the Developer's reasonable proven cost of completion of improvements. Alternatively, the City may retain the required ten percent (10%) warranty security from the existing bond and deposit.

27. **No Advertising or Sale of Lots or Property.** Until and unless the Final Plat is recorded, Developer shall not advertise, market or otherwise sell any lot or property within the Subdivision. This restriction shall not apply to the proposed sale of the entire project and Property.

28. **Building Permit Restrictions**. No building permits shall be issued until and unless the Final Plat is recorded and all applicable building permit restrictions in the Development Agreement have been met.

29. **Compliance with City Ordinances**. The Property and all portions thereof shall be developed in accordance with the City Ordinances, Rezone Approval, Final Plat Approval, Development Agreement, Construction Drawings and this Agreement. All applicable City, State and Federal construction standards and specifications shall be met.

30. **Time Frames and Deadlines**. Nothing in this Agreement is intended to extend or waive any applicable time frame or deadline as set forth in applicable City Ordinances. Commencement and completion of construction within the Property shall comply with all applicable City Ordinance provisions.

31. **Reserved Legislative Powers**. Developer acknowledges that the City is restricted in its authority to limit its police power by contract and that the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power preserved by law.

32. **Indemnification**. Developer hereby agrees to indemnify and hold the City and its officers, employees, agents and representatives harmless from and against all liability, loss, damage, costs, or expenses, including attorneys' fees and court costs arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or to the property of any person which shall occur within the Property or occur in connection with any off-site work done for or in connection with the Subdivision or any subsequent phase thereof and which shall be caused by acts done thereon, or any errors or omission of the Developer, its agents, servants, employees or contractors. In addition, Developer shall indemnify and hold the City and its officers, employees and representatives harmless from and against any claims, liability, costs and attorneys' fees incurred on account of any change in the nature, direction, quantity or quality of historical drainage flows resulting from the Property or the construction of any improvements therein. The Developer and any subsequent developers shall not be responsible for (and such indemnity shall not apply to) any negligent acts or omissions of the City or its agents, servants, employees or contractors.

33. **Insurance**. During the period from commencement of the work on the Property and ending on the date when Infrastructure and Utilities have been accepted, Developer, its contractors, agents and representatives, shall furnish, or cause to be furnished, to the City, satisfactory Certificates of Insurance from reputable insurance companies evidencing death, bodily injury and property damage insurance policies in the amount of at least $2,000,000 single limit naming the City as an additional insured. Developer shall require all contractors and other employees performing any work on the Property or in connection with development of the Property to maintain adequate workers compensation insurance and public liability insurance. Developer, its contractors, agents and representatives, shall provide such Certificates of Insurance to the City as a condition of and prior to issuance of an Excavation Permit for installation of the Infrastructure and Utilities within the public rights-of-way and/or the

commencement of construction or installation of Infrastructure and Utilities within the Subdivision.

34. **Inspection and Approval by the City.** The City may, at its option, perform periodic inspections of the Infrastructure and Utilities being installed and constructed by the Developer. No work involving excavation shall be covered until the same has been inspected by the City's representatives and the representatives of other governmental entities having jurisdiction over the particular improvements involved.

35. **Use and Maintenance During Construction.** During construction, the Developer, and any permitted subsequent developer, shall keep the Property and all affected public streets and public easements free and clear from any unreasonable accumulation of debris, waste materials and any nuisances and shall contain construction debris and provide dust control so as to prevent scattering via wind and water or otherwise. Such construction maintenance and control of construction debris shall be conducted in accordance with applicable City, State and Federal laws, regulations and permits, including, but not limited to applicable Utah Department of Environmental Quality regulations and permitting requirements, and in accordance with applicable best management practices.

36. **Default.** The City may pursue any enforcement action deemed necessary and appropriate for any violation of City Ordinances in accordance with applicable enforcement provisions as set forth in City Ordinances or otherwise permitted by law. Nothing herein shall limit the City's right to issue a stop work order for failure to record the Final Plat (as set forth in Section 20) or failure to obtain inspection or testing (as set forth in Section 19) and no notice of default is required for such action. Notwithstanding and in addition to the City's right to pursue any enforcement action for violation of City Ordinances, in the event any party fails to perform its obligations hereunder or to comply with the terms of this Agreement, the non-defaulting party may have the following enforcement remedies. Prior to the invoking the remedies provided herein, the non-defaulting party shall provide the defaulting party written notice of default and a ten (10) day cure period. All notices of default shall be provided in accordance with the Notice provisions set forth in Section 40. In the event the non-defaulting party does not cure the default within the required ten (10) day cure period or enter into a written agreement for curing the default within a reasonable time, acceptable to the non-defaulting party in its reasonable discretion, the non-defaulting party may, at its election, have the following remedy or remedies:

a. All rights and remedies available at law and in equity, including, but not limited to, injunctive relief and specific performance, but not including damages as provided in Section 51.

b. The right to withhold all further approvals, licenses, permits or other rights associated with the particular lot, parcel or building to which the default is applicable until such default has been cured.

c. The right to draw on any security posted or provided in connection with the Property or project.

d. The right to terminate this Agreement with respect to the particular lot, parcel or building to which the default is applicable.

e. The rights and remedies set forth herein above shall be cumulative.

37. **Insolvency or Misrepresentation**. Developer shall be in default under the terms of this Agreement under the following circumstances if not cured within twenty (20) days after notice of default is given: (i) Developer is adjudicated bankrupt or makes any voluntary or involuntary assignment for the benefit of creditors, or bankruptcy, insolvency, reorganization, arrangement, debt adjustment, receivership, liquidation or dissolution proceedings shall be instituted by or against Developer; and, if instituted adversely, the one against whom such proceedings are instituted consents to the same or admits in writing the material allegations thereof, or said proceedings shall remain undismissed for 150 days; or (ii) Developer has made a materially false representation or warranty in any agreement with or application to the City.

38. **Assignment**. Developer shall not assign its obligations under this Agreement or any rights or interests herein without giving prior written notice to the City. Any future assignee shall consent in writing to be bound by the terms of this Agreement as a condition precedent to the assignment. No party shall transfer, assign, sell, lease, encumber, or otherwise convey its rights and obligations under this Agreement separate from that party's interest in the Property except for the sale of individual completed homes within the Property. For purposes of individual completed home sales, the Developer agrees to remain liable and responsible for completion and fulfillment of the obligations and terms of this Agreement through Termination, as more particularly defined in Section 56. In the event of a sale or transfer of the Property, or any portion thereof, other than the sale of individual completed homes, the buyer or transferee ("Subsequent Developer") shall be liable for the performance of each of the obligations contained in this Agreement as it relates to that portion of the Property it is buying, and acceptance of a deed to any portion of the Property shall constitute an agreement to assume and to be bound by the provisions of this Agreement as it relates to the Property covered by the deed. Each buyer or transferee shall sign an assignment and assumption agreement in a form reasonably acceptable to the City agreeing to be bound by the terms and conditions of this Agreement as provided herein. Any reference to Developer herein shall be construed to refer to any Subsequent Developer with respect to the portion of the Property owned by such Subsequent Developer.

39. **Ownership and Recording**. Developer hereby warrants and represents that it is the legal owner of record of the Property as described herein, it has the right to develop the Property, and it has full authority to enter into the terms of this Agreement

encumbering the Property. Developer hereby agrees and acknowledges that this Agreement shall be recorded against the Property. Prior to recording this Agreement, Developer shall provide the City with a current and accurate title report regarding the Property. Developer shall be required to cure or subordinate any unacceptable encumbrances on the Property, as determined by the City, prior to recording of this Agreement. All persons or entities with an ownership interest in the Property as shown on the title report shall sign and be a party to this Agreement.

40. **Notice.** All notices required or desired to be given hereunder shall be in writing and shall be deemed to have been provided on the date of personal service upon the party for whom intended or upon receipt if mailed, by certified mail, return receipt requested, postage prepaid, and addressed to the parties at the following addresses:

To Centerville City:	Centerville City Attn: City Manager 250 North Main Street Centerville, Utah 84014
To Developer:	HWD Woods Park, LLC Henry Walker Homes 500 North Marketplace Drive, Suite 201 Centerville, Utah 84014

Any party may change its address for notice under this Agreement by giving written notice to the other party in accordance with the provisions of this paragraph.

41. **Attorneys' Fees.** Each party agrees that should it default in any of the covenants or agreements contained herein, the defaulting party shall pay all costs and expenses, including reasonable attorneys' fee which may arise or accrue from enforcing this Agreement, or in pursuing any remedy provided hereunder or by the statutes or other laws of the State of Utah.

42. **Entire Agreement.** This Agreement, together with the Exhibits attached hereto, documents referenced herein, and all regulatory approvals given by the City for the Property, contains the entire agreement of the parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the parties which are not contained in such agreements, regulatory approvals and related conditions.

43. **Construction of Agreement.** This Agreement shall be construed so as to effectuate the public purpose of implementing long-range planning objectives, obtaining public benefits, and protecting any compelling countervailing public interest. For purposes of this Agreement and the construction of its terms, the parties acknowledge that both participated in the drafting of this Agreement and neither shall be considered the drafter.

44. **<u>Non-Liability of City Officials, Employees and Others</u>.** No officer, representative, agent or employee of the City shall be personally liable to the Developer or any successor in interest or assignee of the Developer in the event of any default or breach by the City, or for any amount which may become due Developer, or its successors or assigns, or for any obligation(s) arising under the terms of this Agreement.

45. **<u>No Third Party Rights</u>.** Unless otherwise specifically provided herein, the obligations of Developer and the City set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

46. **<u>Binding Effect</u>.** This Agreement shall be binding upon the parties hereto and their respective officers, agents, employees, successors and assigns, as permitted herein. The covenants contained herein shall be deemed to run with the Property and a copy of this Agreement shall be recorded in the office of the Davis County Recorder, State of Utah. The persons signing for and on behalf of the Developer warrant and represent that they are duly authorized and empowered to enter into this Agreement for and on behalf of Developer, and that by their signatures, they do bind Developer to the terms of this Agreement.

47. **<u>Governing Law and Jurisdiction</u>.** The provisions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah. The parties to this Agreement agree that any judicial action associated with the Agreement shall be taken in the Utah state or federal court of competent jurisdiction.

48. **<u>No Waiver</u>.** Any party's failure to enforce any provision of the Agreement shall not constitute a waiver of the right to enforce such provision. The provisions may be waived only in writing by the party intended to be benefited by the provisions, and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

49. **<u>Severability</u>.** If any portion of this Agreement is held to be unenforceable by court of competent jurisdiction, any enforceable portion thereof and the remaining provisions shall continue in full force and effect.

50. **<u>Time of Essence</u>.** Time is expressly made of the essence with respect to the performance of each and every obligation hereunder.

51. **<u>Knowledge and Covenant Not to Sue</u>.** The parties have read this Agreement and have executed it voluntarily after having been apprised of all relevant information and risks and having had the opportunity to consult with legal counsel of their choice. Developer agrees not to sue or initiate any claim or other administrative or legal action against the City for an exaction, takings claim, impact fee challenge, or other claim with respect to the development of the Property or any other provision of this Agreement as associated with the Property. The parties acknowledge that they enter this Agreement voluntarily and with the intent to address and establish issues

and procedures for the installation of Infrastructure and Utilities prior to recording the Final Plat. Notwithstanding the foregoing, if litigation is pursued, no monetary damages shall be awarded and sole remedy for either party shall be specific performance or injunction.

52. **Supremacy.** In the event of any conflict between the terms of this Agreement and those of any document referred to herein, this Agreement shall govern.

53. **No Relationship.** Nothing in this Agreement shall be construed to create any partnership, joint venture or fiduciary relationship between the parties.

54. **Amendment.** This Agreement may be amended only in writing signed by the parties hereto.

55. **Force Majeure.** Neither party hereto shall be liable for any delay or failure in the keeping or performance of its obligations under this Agreement during the time and to the extent that any such failure is due to acts of God, acts of the United States Government or the State of Utah, fires, floods, or other casualties or causes beyond the reasonable control and without the fault or negligence of the party obligated to perform hereunder; provided the party seeking relief under the provisions of this Section: (1) notifies the other party in writing of a force majeure event within fifteen (15) days following the affected party's knowledge of the occurrence of the claimed force majeure event, and (2) promptly resumes the keeping and performance of the affected obligations after such cause has come to an end. Each party shall make every reasonable effort to keep delay in performance as a result of such a cause to a minimum.

56. **Termination.** This Agreement shall terminate upon completion and fulfillment of all the obligations and terms of this Agreement; provided, Sections 32, 33 and 51 shall remain in full force and effect until expiration of the warranty period for public improvements and any bonded improvements, such as landscaping, and expiration of any applicable statute of limitation for contractual claims, takings issues, impact fee challenges, or other claim with respect to the terms and conditions of this Agreement ("Termination").

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

[Signature page to follow]

"CITY"

CENTERVILLE CITY

ATTEST:

____
Marsha L. Morrow, City Recorder

By:______________________________
Mayor Paul A. Cutler

"DEVELOPER"

HWD WOODS PARK, LLC

By:______________________________

Its:______________________________

APPROVED AS TO FORM:

As a significant lien holder and beneficiary of that certain Trust Deed, Security Agreement and Fixture Filing with Assignment of Rents, dated August 22, 2013 and recorded against the Property on August 23, 2013, as Entry No. 2762356, Book 5838, Page 910, at the Davis County Recorder's Office, Davis County, State of Utah.

WOODS PARK LOAN PARTNERS, LLC

By:______________________________

Its:______________________________

CITY ACKNOWLEDGMENT

STATE OF UTAH)
:ss.
COUNTY OF DAVIS)

On the _____ day of ______________, 2014, personally appeared before me Paul A. Cutler, who being duly sworn, did say that he is the Mayor of **CENTERVILLE CITY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Paul A. Cutler acknowledged to me that the City executed the same.

____
Notary Public

My Commission Expires: Residing at:

______________________________ ______________________________

HWD ACKNOWLEDGMENT

STATE OF UTAH)
:ss.
COUNTY OF __________)

On the _____ day of ______________, 2014, personally appeared before me__________________________, who being duly sworn, did say that (s)he is the __________________________ of **HWD WOODS PARK, LLC,** a Utah limited liability company, and that the foregoing instrument was signed on behalf of the limited liability company, and that said liability company freely and voluntarily executed the same.

____
Notary Public

My Commission Expires: Residing at:

______________________________ ______________________________

WOODS PARK LOAN PARTNERS ACKNOWLEDGMENT

STATE OF UTAH)
:**ss.**
COUNTY OF __________)

On the _____ day of _______________, 2014, personally appeared before me___________________________, who being duly sworn, did say that (s)he is the ____________________________ of **WOODS PARK LOAN PARTNERS, LLC,** a Utah limited liability company, and that the foregoing instrument was signed on behalf of the limited liability company, and that said liability company freely and voluntarily executed the same.

____
Notary Public

My Commission Expires:

____

Residing at:

____

EXHIBITS

Exhibit A	Property Description
Exhibit B	Woods Park Subdivision Plat
Exhibit C	Engineer's Estimate
Exhibit D	Culinary Waterline Estimate

EXHIBIT "A"

Property Description

EXHIBIT A
LEGAL DESCRIPTION

The land referred to herein is situated in the County of Davis, State of Utah, and is described as follows:

Description for proposed Woods Park Subdivision:

Beginning at the intersection of the Quarter Section line and the East line of a Frontage Road on the East side of the Interstate 15 Freeway, said point being North 89°13'20" East 384.08 feet along the Quarter Section line from the West Quarter corner of Section 31, Township 3 North, Range 1 East, Salt Lake Meridian, and running thence North 0°11'10" East 396.61 feet along the East line of said Frontage Road to the South line of Lund Lane; thence South 89°30'30" East 498.00 feet along the South line of said Lund Lane to a line defined in a Boundary Line Agreement, Entry No. 2757901, thence South 0°11'15" West 418.58 feet along the line defined in said Boundary Line Agreement to a point 33.00 feet South of the Quarter Section line; thence North 89°13'20" East 2.00 feet; thence South 0°11'15" West 50.00 feet to a point on line defined by Boundary Line Agreement, Entry No. 2754923, thence South 89°13'20" West 500.05 feet along said boundary line to the East line of a Frontage Road; thence North 0°11'10" East 83.00 feet along the East line of a Frontage Road to the point of beginning.

Tax ID: 07-070-0123

EXHIBIT "B"

Woods Park Subdivision Plat

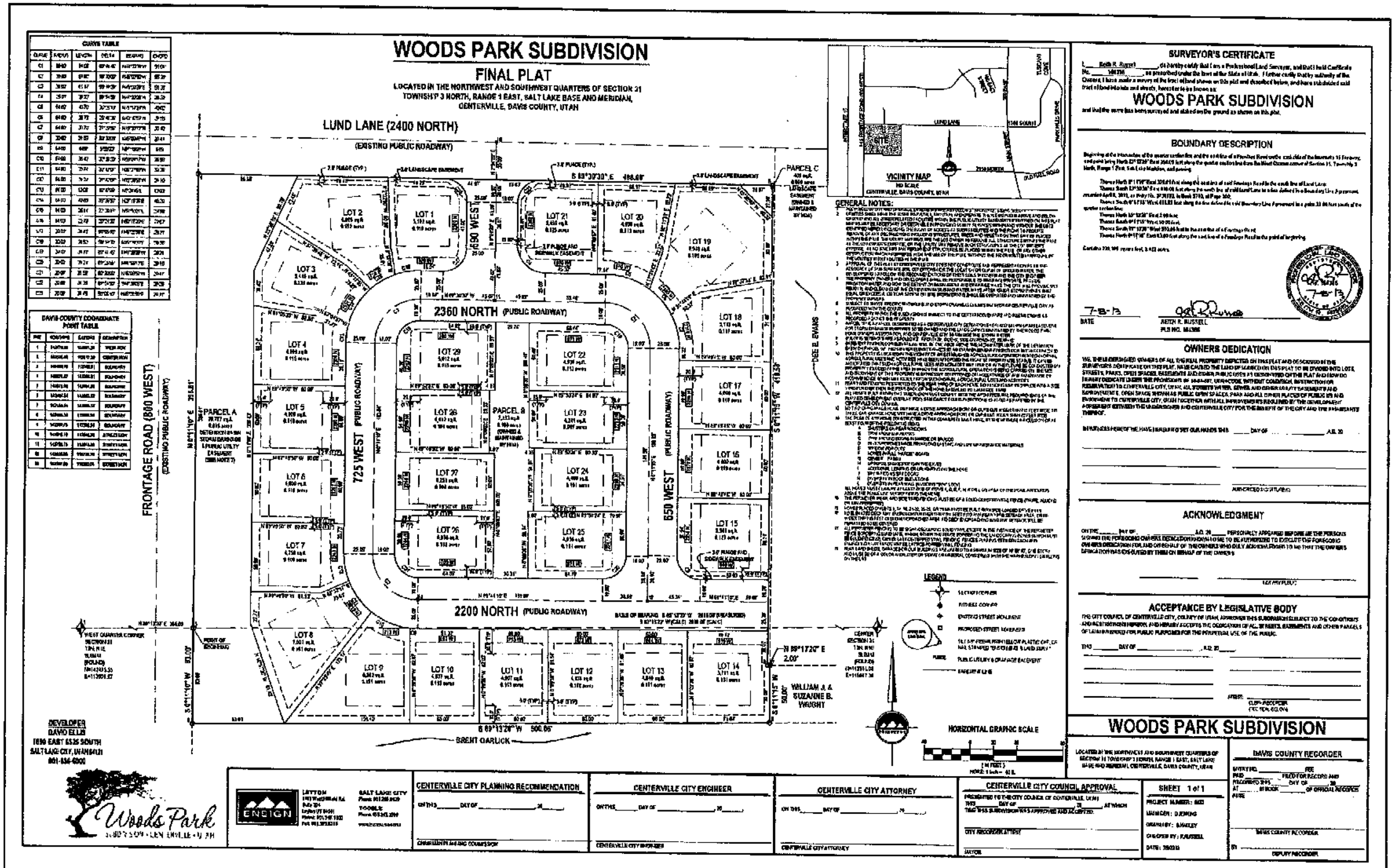

WOODS PARK SUBDIVISION
FINAL PLAT
LOCATED IN THE NORTHWEST AND SOUTHWEST QUARTERS OF SECTION 31
TOWNSHIP 3 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN,
CENTERVILLE, DAVIS COUNTY, UTAH
CURVE TABLE
DAVIS COUNTY COORDINATE POINT TABLE
LUND LANE (2400 NORTH)
(EXISTING PUBLIC ROADWAY)
2360 NORTH (PUBLIC ROADWAY)
2200 NORTH (PUBLIC ROADWAY)
725 WEST (PUBLIC ROADWAY)
650 WEST (PUBLIC ROADWAY)
650 WEST
FRONTAGE ROAD (800 WEST)
(EXISTING PUBLIC ROADWAY)
PARCEL A
PARCEL B
PARCEL C
LOT 1
LOT 2
LOT 3
LOT 4
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
LOT 11
LOT 12
LOT 13
LOT 14
LOT 15
LOT 16
LOT 17
LOT 18
LOT 19
LOT 20
LOT 21
LOT 22
LOT 23
LOT 24
LOT 25
LOT 26
LOT 27
LOT 28
LOT 29
S 89°30'30" E 496.69'
S 89°13'28" W 500.06'
N 89°17'20" E 2.00'
DEE E. EVANS
BRENT GARLICK
WILLIAM J. & SUZANNE B. WRIGHT
VICINITY MAP
GENERAL NOTES:
LEGEND
HORIZONTAL GRAPHIC SCALE
DEVELOPER
DAVID ELLIS
SALT LAKE CITY, UTAH
SURVEYOR'S CERTIFICATE
WOODS PARK SUBDIVISION
BOUNDARY DESCRIPTION
7-8-13
KEITH R. RUSSELL
OWNERS DEDICATION
ACKNOWLEDGMENT
ACCEPTANCE BY LEGISLATIVE BODY
WOODS PARK SUBDIVISION
DAVIS COUNTY RECORDER
CENTERVILLE CITY PLANNING RECOMMENDATION
CENTERVILLE CITY ENGINEER
CENTERVILLE CITY ATTORNEY
CENTERVILLE CITY COUNCIL APPROVAL
SHEET 1 of 1
ENSIGN
LAYTON
SALT LAKE CITY
TOOELE
Woods Park

EXHIBIT "C"

Engineer's Estimate

ESI Engineering, Inc.
3500 South Main, Suite 206
Salt Lake City, Utah
Phone (801) 263-1752
Fax (801) 263-1780
Consulting Engineers & Land Surveyors

PROJECT WOODS PARK PDO (29 LOTS)		SHEET NO 1 of 6
OWNER **CENTERVILLE CITY**		
ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR	DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
	Bond Estimate within City ROW / Affecting City Infrastructure				
	Utilities and BMP's (A)				
1	8" SDR 35 Sewer Pipe (Sewer Main)	LF	25	$29.00	$725.00
2	Sewer Manhole-5 foot diam.	EA	1	$4,500.00	$4,500.00
3	Inlet Structure for Storm Drain	EA	2	$2,000.00	$4,000.00
4	42 Inch Storm Drain	LF	480	$70.00	$33,600.00
5	34"x53" Elliptical Storm Drain	LF	95	$80.00	$7,600.00
6	24 Inch Storm Drain	LF	85	$40.00	$3,400.00
7	15 Inch Storm Drain	LF	20	$35.00	$700.00
8	2" Sewer Rock	CY	400	$18.00	$7,200.00
9	Import granular backfill	CY	900	$17.00	$15,300.00
10	Storm Drain Manholes	EA	3	$2,200.00	$6,600.00
11	Storm Drain Combo Boxes	EA	3	$4,000.00	$12,000.00
12	Flared Inlet Section	EA	1	$2,000.00	$2,000.00
13	Sedimentation basin at storm drain inlet	EA	1	$1,000.00	$1,000.00
14	Loop 24" irrigation line under storm drain	LS	1	$25,000.00	$25,000.00
15	BMP's and erosion control fabric	LS	1	$7,250.00	$7,250.00
16	8" SDR 35 PVC Pipe (Yard Drains)	LF	1,480	$25.00	$37,000.00
17	Yard Drains	EA	24	$500.00	$12,000.00
18	8" SDR 35 PVC Pipe (Sub-Drain)	LF	400	$25.00	$10,000.00
19	Sub-Drain Manhole	EA	2	$2,200.00	$4,400.00
	Subtotal A (Items 1-19)				**$194,275.00**

ESI Engineering, Inc. 3500 South Main, Suite 206 Salt Lake City, Utah Phone (801) 263-1752 Fax (801) 263-1780 *Consulting Engineers & Land Surveyors*	PROJECT WOODS PARK PDO (29 LOTS) OWNER **CENTERVILLE CITY**		SHEET NO 2 of 6
	ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR	DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
	Street in Existing City ROW (B)				
20	Curb & Gutter	LF	980	$13.50	$13,230.00
21	Road Base	CY	600	$25.00	$15,000.00
22	Grading, Excavation, Backfill and soil removal	LS	0.5	$70,000.00	$35,000.00
23	Street Lights	EA	1	$2,250.00	$2,250.00
24	Handicap Ramps	EA	3	$900.00	$2,700.00
25	Stamped Concrete Crosswalks	SF	420	$11.00	$4,620.00
26	Saw Cut	LF	1,130	$3.00	$3,390.00
27	5 Foot Sidewalk along Lund Ln.	LF	460	$17.00	$7,820.00
28	6 Foot Sidewalk along Frontage Rd. & in Sub.	LF	650	$20.00	$13,000.00
29	4 inch thick Asphalt Patch along Lund Lane	Ton	250	$75.00	$18,750.00
30	5 inch thick Asphalt Patch along Frontage Rd	Ton	200	$75.00	$15,000.00
31	Slurry Seal	SY	1,830	$1.70	$3,111.00
32	Survey Monuments	EA	1	$750.00	$750.00
33	Traffic Control	LS	1	$1,000.00	$1,000.00
34	Utility Sleeves	EA	4	$500.00	$2,000.00
35	6 inch PVC C900 irrigation line and connection to existing line	LF	550	$30.00	$16,500.00
36	6 inch irrigation line valves	EA	4	$800.00	$3,200.00
37	6 inch irrigation line fittings	EA	3	$350.00	$1,050.00
38	Import sand backfill for irrigation lines	CY	65	$22.00	$1,430.00
	Subtotal B (Items 20-38)				**$159,801.00**

ESI Engineering, Inc.
3500 South Main, Suite 206
Salt Lake City, Utah
Phone (801) 263-1752
Fax (801) 263-1780

Consulting Engineers & Land Surveyors

PROJECT WOODS PARK PDO (29 LOTS) OWNER **CENTERVILLE CITY**		SHEET NO 3 of 6
ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR	DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
	Landscaping, Etc. (C)				
39	Landscaping and Sprinkler Irrigation	SF	6,000	$2.00	$12,000.00
40	Landscaping and Sprinkler Irrigation in Detention Basin	SF	31,850	$2.00	$63,700.00
41	Detention Basin	EA	1	$25,000.00	$25,000.00
42	Detention Outlets	EA	2	$2,000.00	$4,000.00
43	4' Concrete Water Way	LF	662	$17.00	$11,254.00
44	Utility disconnection / site unwinding	LS	1	$25,000.00	$25,000.00
	Subtotal C (Items 39-44)				**$140,954.00**
	Subtotal A+B+C (Items 1-44)				**$495,030.00**
45	Contingency for A+B+C	%	20		$99,006.00
	Total Bond Estimate in City ROW (A+B+C and Contingency, Items 1-41)				**$594,036.00**
	Bond Estimate Outside of City ROW				
	Utilities and BMP's (D)				
46	8 " SDR 35 Sewer Pipe (Sewer Main)	LF	1,087	$29.00	$31,523.00
47	Sewer Laterals	LF	1,120	$24.00	$26,880.00
48	Sewer Manhole 4 foot diam.	EA	9	$3,700.00	$33,300.00
49	Sewer Manhole-5 foot diam.	EA	1	$4,500.00	$4,500.00
50	Inlet Structure for Storm Drain	EA	7	$2,000.00	$14,000.00
51	15 Inch Storm Drain	LF	974	$35.00	$34,090.00
52	2" Sewer Rock	CY	350	$18.00	$6,300.00

ESI Engineering, Inc.
3500 South Main, Suite 206
Salt Lake City, Utah
Phone (801) 263-1752
Fax (801) 263-1780

Consulting Engineers & Land Surveyors

PROJECT	WOODS PARK PDO (29 LOTS)		SHEET NO 4 of 6
OWNER	**CENTERVILLE CITY**		
ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR	DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103	

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
53	Import granular backfill	CY	2,100	$17.00	$35,700.00
54	Storm Drain Manholes	EA	7	$2,200.00	$15,400.00
55	Sift onsite fill materials to make them suitable for use on lots	LS	1	$5,000.00	$5,000.00
	Subtotal D (Items 46-55)				**$206,693.00**
	Street Onsite (E)				
56	Curb & Gutter	LF	2,120	$13.50	$28,620.00
57	Road Base	CY	1,000	$25.00	$25,000.00
58	Grading, Excavation, Backfill and soil removal	LS	0.5	$70,000.00	$35,000.00
59	Street Lights	EA	4	$2,250.00	$9,000.00
60	Handicap Ramps	EA	5	$900.00	$4,500.00
61	Stamped Concrete Crosswalks	SF	680	$11.00	$7,480.00
62	4 Foot Sidewalk	LF	1,220	$14.00	$17,080.00
63	3 inch thick Asphalt Woods Park Loop	Ton	700	$75.00	$52,500.00
64	Concrete drive approaches	SF	2,320	$10.00	$23,200.00
65	Slurry Seal	SY	3,670	$1.70	$6,239.00
66	Survey Monuments	EA	3	$750.00	$2,250.00
67	Traffic Control	LS	1	$1,000.00	$1,000.00
68	Utility Sleeves	EA	8	$500.00	$4,000.00
69	6 inch PVC C900 irrigation line and connection	LF	1,195	$30.00	$35,850.00
70	6 inch irrigation line valves	EA	5	$800.00	$4,000.00

ESI Engineering, Inc.
3500 South Main, Suite 206
Salt Lake City, Utah
Phone (801) 263-1752
Fax (801) 263-1780

Consulting Engineers & Land Surveyors

PROJECT WOODS PARK PDO (29 LOTS) OWNER **CENTERVILLE CITY**		SHEET NO 5 of 6
ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR	DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
71	6 inch irrigation line fittings	EA	9	$350.00	$3,150.00
72	1-½" irrigation laterals	LF	350	$20.00	$7,000.00
73	1-½" irrigation meters	EA	29	$350.00	$10,150.00
74	Import sand backfill for irrigation lines	CY	135	$22.00	$2,970.00
	Subtotal E (Items 56-74)				**$278,989.00**
	Landscaping, Etc. (F)				
75	Landscaping and Sprinkler Irrigation	SF	5,150	$2.00	$10,300.00
76	Demolition of Existing Structures	LS	1	$10,000.00	$10,000.00
77	Fencing	LF	1,800	$20.00	$36,000.00
	Subtotal F (Items 75-77)				**$56,300.00**
	Subtotal D+E+F (Items 46-77)				**$541,982.00**
78	Contingency for D+E+F	%	20		$108,396.40
	Total Bond Estimate Outside City ROW (D+E+F and Contingency, Items 42-77)				**$650,378.40**
	Total Bond Estimate (A - F and Contingency, Items 1-78)				**$1,244,414.40**
	Miscellaneous Fees				
78	Inspection Fee	LS	2.05%		$25,510.50
79	TV Inspection of Storm Drains	LF	3,534	$1.50	$5,301.00
80	Fee for UPRR / UTA Storm Drain Bore	LS	1	$150,000.00	$150,000.00
	Storm Drain Impact Fee				
1	Total Area- Residential	AC	5.42	$2,000.00	$10,840.00
2	Recommended Storm Drain Impact Fee Credit				$10,840.00

EXHIBIT "D"

Culinary Waterline Estimate

ESI Engineering, Inc. 3500 South Main, Suite 206 Salt Lake City, Utah Phone (801) 263-1752 Fax (801) 263-1780 *Consulting Engineers & Land Surveyors*	PROJECT WOODS PARK PDO (29 LOTS) OWNER **CENTERVILLE CITY**	SHEET NO 6 of 6
	ESTIMATED BY **BC** CHECKED BY KC REVISION BY MR / DATE 12-11-13 DATE 12-11-13 REV. 01-24-14	PROJECT NO. 12-103

Woods Park PDO Bond Estimate and Water Line Fees

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
	Total Recommended Storm Drain Impact Fee				**$0.00**
	Culinary Water Line Fee				
1	**Total Culinary Water Fee (See attached estimate)**				**$203,245.20**
	Water Development Fee (50 % at Plat, 50% at building permit)				
1	3/4 inch Meter Size (water development fee is $2,026 for 3/4" lateral)	EA	29	$1,013.00	$29,377.00
2	**Total Water Development Fee**				**$29,377.00**

Note: These estimates were prepared as an opinion of cost based on current trends and construction activity in the area of the project at the time of plan preparation. This estimate is for the City's use to establish a basis for bonding and represents an opinion of what it may cost if the City is required to bid out and construct the project in the future. This estimate is based on plans prepared by the Developer and does not include all costs for the project.

ESI Engineering, Inc.
Consulting Engineers & Land Surveyors
3500 South Main, Suite 206
Salt Lake City, Utah 84115
Phone 263-1752 FAX 263-1780

PROJECT Woods Park PDO (29 Lots)
OWNER Centerville City

ESTIMATED BY BFC | DATE 7/01/13
CHECKED BY MLR | DATE 8/14/13
PROJECT NO. 12-103

ENGINEERING ESTIMATE FOR CULINARY WATER IMPROVEMENTS

ITEM NO.	ITEM DESCRIPTION	UNITS	QUANTITY	UNIT PRICE	AMOUNT
1	10 inch PVC Line and locator wire	LF	1115	$36.00	$40,140.00
2	8 inch PVC Line and locator wire	LF	1170	$33.00	$38,610.00
3	6 inch PVC Line and locator wire	LF	55	$30.00	$1,650.00
4	3/4" Copper lateral	LF	800	$20.00	$16,000.00
5	Sand Bedding	CY	620	$22.00	$13,640.00
6	Import Granular Backfill	CY	1050	$17.00	$17,850.00
7	Fire hydrants and valves with valve boxes	Each	4	$3,500.00	$14,000.00
8	10 inch Fittings	Each	3	$950.00	$2,850.00
9	8 inch Fittings	LF	11	$750.00	$8,250.00
10	10 inch gate valves	Each	2	$1,400.00	$2,800.00
11	8 inch gate valves	Each	7	$1,100.00	$7,700.00
12	Connection existing line	Each	1	$1,500.00	$1,500.00
13	3/4" Services (saddle, meter, etc.)	Each	29	$800.00	$23,200.00
	Subtotal				$188,190.00
15	Engineering / Inspection / Testing	%	8		$15,055.20
	TOTAL				**$203,245.20**

LOCAL GOVERNMENT DEVELOPMENT AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: J. Stuart Adams

House Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill amends provisions related to municipal and county regulation of land use and development.

Highlighted Provisions:

This bill:

- ▸ modifies definitions;
- ▸ amends a land use authority's authority to impose an exaction for another governmental entity;
- ▸ enacts language limiting a municipality's or county's regulation of a residential facility for persons with a disability;
- ▸ enacts provisions relating to a land use authority's acceptance of landscaping and infrastructure improvements;
- ▸ requires a local district to comply with municipal or county land use and development requirements in certain circumstances; and
- ▸ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-9a-103, as last amended by Laws of Utah 2012, Chapter 231

10-9a-104, as renumbered and amended by Laws of Utah 2005, Chapter 254

10-9a-508, as last amended by Laws of Utah 2009, Chapter 163

10-9a-520, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-103, as last amended by Laws of Utah 2012, Chapter 231

17-27a-104, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-507, as last amended by Laws of Utah 2009, Chapter 163

17-27a-519, as renumbered and amended by Laws of Utah 2005, Chapter 254

REPEALS AND REENACTS:

10-9a-516, as renumbered and amended by Laws of Utah 2005, Chapter 254

10-9a-604.5, as enacted by Laws of Utah 2008, Chapter 112

17-27a-515, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-604.5, as enacted by Laws of Utah 2008, Chapter 112

17B-1-119, as enacted by Laws of Utah 2011, Chapter 205

REPEALS:

10-9a-517, as renumbered and amended by Laws of Utah 2005, Chapter 254

10-9a-518, as renumbered and amended by Laws of Utah 2005, Chapter 254

10-9a-519, as last amended by Laws of Utah 2010, Chapter 378

17-27a-516, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-517, as renumbered and amended by Laws of Utah 2005, Chapter 254

17-27a-518, as last amended by Laws of Utah 2011, Chapter 297

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **10-9a-103** is amended to read:

10-9a-103. Definitions.

As used in this chapter:

(1) "Affected entity" means a county, municipality, local district, special service district under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation entity established under Title 11, Chapter 13, Interlocal Cooperation Act, specified

public utility, [~~a~~] property owner, [~~a~~] property owners association, or the Utah Department of Transportation, if:

(a) the entity's services or facilities are likely to require expansion or significant modification because of an intended use of land;

(b) the entity has filed with the municipality a copy of the entity's general or long-range plan; or

(c) the entity has filed with the municipality a request for notice during the same calendar year and before the municipality provides notice to an affected entity in compliance with a requirement imposed under this chapter.

(2) "Appeal authority" means the person, board, commission, agency, or other body designated by ordinance to decide an appeal of a decision of a land use application or a variance.

(3) "Billboard" means a freestanding ground sign located on industrial, commercial, or residential property if the sign is designed or intended to direct attention to a business, product, or service that is not sold, offered, or existing on the property where the sign is located.

(4) (a) "Charter school" means:

(i) an operating charter school;

(ii) a charter school applicant that has its application approved by a chartering entity in accordance with Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act; or

(iii) an entity [~~who~~] that is working on behalf of a charter school or approved charter applicant to develop or construct a charter school building.

(b) "Charter school" does not include a therapeutic school.

(5) "Conditional use" means a land use that, because of its unique characteristics or potential impact on the municipality, surrounding neighbors, or adjacent land uses, may not be compatible in some areas or may be compatible only if certain conditions are required that mitigate or eliminate the detrimental impacts.

(6) "Constitutional taking" means a governmental action that results in a taking of private property so that compensation to the owner of the property is required by the:

(a) Fifth or Fourteenth Amendment of the Constitution of the United States; or

(b) Utah Constitution Article I, Section 22.

(7) "Culinary water authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of the culinary water system and sources for the subject property.

(8) "Development activity" means:

(a) any construction or expansion of a building, structure, or use that creates additional demand and need for public facilities;

(b) any change in use of a building or structure that creates additional demand and need for public facilities; or

(c) any change in the use of land that creates additional demand and need for public facilities.

(9) (a) "Disability" means a physical or mental impairment that substantially limits one or more of a person's major life activities, including a person having a record of such an impairment or being regarded as having such an impairment.

(b) "Disability" does not include current illegal use of, or addiction to, any federally controlled substance, as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802.

(10) "Educational facility":

(a) means:

(i) a school district's building at which pupils assemble to receive instruction in a program for any combination of grades from preschool through grade 12, including kindergarten and a program for children with disabilities;

(ii) a structure or facility:

(A) located on the same property as a building described in Subsection (10)(a)(i); and

(B) used in support of the use of that building; and

(iii) a building to provide office and related space to a school district's administrative personnel; and

(b) does not include:

(i) land or a structure, including land or a structure for inventory storage, equipment storage, food processing or preparing, vehicle storage or maintenance, or similar use that is:

(A) not located on the same property as a building described in Subsection (10)(a)(i); and

(B) used in support of the purposes of a building described in Subsection (10)(a)(i); or

(ii) a therapeutic school.

[~~(11) "Elderly person" means a person who is 60 years old or older, who desires or needs to live with other elderly persons in a group setting, but who is capable of living independently.~~]

[~~(12)~~] (11) "Fire authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of fire protection and suppression services for the subject property.

[~~(13)~~] (12) "Flood plain" means land that:

(a) is within the 100-year flood plain designated by the Federal Emergency Management Agency; or

(b) has not been studied or designated by the Federal Emergency Management Agency but presents a likelihood of experiencing chronic flooding or a catastrophic flood event because the land has characteristics that are similar to those of a 100-year flood plain designated by the Federal Emergency Management Agency.

[~~(14)~~] (13) "General plan" means a document that a municipality adopts that sets forth general guidelines for proposed future development of the land within the municipality.

[~~(15)~~] (14) "Geologic hazard" means:

(a) a surface fault rupture;

(b) shallow groundwater;

(c) liquefaction;

(d) a landslide;

(e) a debris flow;

(f) unstable soil;

(g) a rock fall; or

(h) any other geologic condition that presents a risk:

(i) to life;

(ii) of substantial loss of real property; or

(iii) of substantial damage to real property.

[~~(16)~~] (15) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or appurtenance that connects to a municipal water, sewer, storm water, power, or other utility system.

[~~(17)~~] (16) "Identical plans" means building plans submitted to a municipality that:

(a) are clearly marked as "identical plans";

(b) are substantially identical to building plans that were previously submitted to and reviewed and approved by the municipality; and

(c) describe a building that:

(i) is located on land zoned the same as the land on which the building described in the previously approved plans is located;

(ii) is subject to the same geological and meteorological conditions and the same law as the building described in the previously approved plans;

(iii) has a floor plan identical to the building plan previously submitted to and reviewed and approved by the municipality; and

(iv) does not require any additional engineering or analysis.

[~~(18)~~] (17) "Impact fee" means a payment of money imposed under Title 11, Chapter 36a, Impact Fees Act.

[~~(19) "Improvement assurance" means a surety bond, letter of credit, cash, or other security:~~]

[~~(a) to guaranty the proper completion of an improvement;~~]

[~~(b) that is required as a condition precedent to:~~]

[~~(i) recording a subdivision plat; or~~]

[~~(ii) beginning development activity; and~~]

[~~(c) that is offered to a land use authority to induce the land use authority, before actual construction of required improvements, to:~~]

[~~(i) consent to the recording of a subdivision plat; or~~]

[~~(ii) issue a permit for development activity.~~]

[~~(20) "Improvement assurance warranty" means a promise that the materials and workmanship of improvements:~~]

[~~(a) comport with standards that the municipality has officially adopted; and~~]

[~~(b) will not fail in any material respect within a warranty period.~~]

(18) "Improvement completion assurance" means a surety bond, letter of credit, cash, or other security required by a municipality to guaranty the proper completion of landscaping or infrastructure that the land use authority has required as a condition precedent to:

(a) recording a subdivision plat; or

(b) beginning development activity.

(19) "Improvement warranty" means an applicant's unconditional warranty that the accepted landscaping or infrastructure:

(a) complies with the municipality's written standards for design, materials, and workmanship; and

(b) will not fail in any material respect, as a result of poor workmanship or materials, within the improvement warranty period.

(20) "Improvement warranty period" means a period:

(a) no later than one year after a municipality's acceptance of required landscaping; or

(b) no later than one year after a municipality's acceptance of required infrastructure, unless the municipality:

(i) determines for good cause that a one-year period would be inadequate to protect the public health, safety, and welfare; and

(ii) has substantial evidence, on record:

(A) of prior poor performance by the applicant; or

(B) that the area upon which the infrastructure will be constructed contains suspect soil and the municipality has not otherwise required the applicant to mitigate the suspect soil.

(21) "Internal lot restriction" means a platted note, platted demarcation, or platted designation that:

(a) runs with the land; and

(b) (i) creates a restriction that is enclosed within the perimeter of a lot described on the plat; or

(ii) designates a development condition that is enclosed within the perimeter of a lot described on the plat.

(22) "Land use application" means an application required by a municipality's land use ordinance.

(23) "Land use authority" means a person, board, commission, agency, or other body designated by the local legislative body to act upon a land use application.

(24) "Land use ordinance" means a planning, zoning, development, or subdivision ordinance of the municipality, but does not include the general plan.

(25) "Land use permit" means a permit issued by a land use authority.

(26) "Legislative body" means the municipal council.

(27) "Local district" means an entity under Title 17B, Limited Purpose Local Government Entities - Local Districts, and any other governmental or quasi-governmental entity that is not a county, municipality, school district, or the state.

(28) "Lot line adjustment" means the relocation of the property boundary line in a subdivision between two adjoining lots with the consent of the owners of record.

(29) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.

(30) "Nominal fee" means a fee that reasonably reimburses a municipality only for time spent and expenses incurred in:

(a) verifying that building plans are identical plans; and

(b) reviewing and approving those minor aspects of identical plans that differ from the previously reviewed and approved building plans.

(31) "Noncomplying structure" means a structure that:

(a) legally existed before its current land use designation; and

(b) because of one or more subsequent land use ordinance changes, does not conform to the setback, height restrictions, or other regulations, excluding those regulations, which govern the use of land.

(32) "Nonconforming use" means a use of land that:

(a) legally existed before its current land use designation;

(b) has been maintained continuously since the time the land use ordinance governing the land changed; and

(c) because of one or more subsequent land use ordinance changes, does not conform to the regulations that now govern the use of the land.

(33) "Official map" means a map drawn by municipal authorities and recorded in a county recorder's office that:

(a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for highways and other transportation facilities;

(b) provides a basis for restricting development in designated rights-of-way or between designated setbacks to allow the government authorities time to purchase or otherwise reserve the land; and

(c) has been adopted as an element of the municipality's general plan.

(34) "Person" means an individual, corporation, partnership, organization, association, trust, governmental agency, or any other legal entity.

(35) "Plan for moderate income housing" means a written document adopted by a city legislative body that includes:

(a) an estimate of the existing supply of moderate income housing located within the city;

(b) an estimate of the need for moderate income housing in the city for the next five years as revised biennially;

(c) a survey of total residential land use;

(d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and

(e) a description of the city's program to encourage an adequate supply of moderate income housing.

(36) "Plat" means a map or other graphical representation of lands being laid out and prepared in accordance with Section 10-9a-603, 17-23-17, or 57-8-13.

(37) "Potential geologic hazard area" means an area that:

(a) is designated by a Utah Geological Survey map, county geologist map, or other relevant map or report as needing further study to determine the area's potential for geologic hazard; or

(b) has not been studied by the Utah Geological Survey or a county geologist but presents the potential of geologic hazard because the area has characteristics similar to those of a designated geologic hazard area.

(38) "Public agency" means:

(a) the federal government;

(b) the state;

(c) a county, municipality, school district, local district, special service district, or other political subdivision of the state; or

(d) a charter school.

(39) "Public hearing" means a hearing at which members of the public are provided a reasonable opportunity to comment on the subject of the hearing.

(40) "Public meeting" means a meeting that is required to be open to the public under Title 52, Chapter 4, Open and Public Meetings Act.

(41) "Receiving zone" means an area of a municipality that the municipality designates, by ordinance, as an area in which an owner of land may receive a transferable development right.

(42) "Record of survey map" means a map of a survey of land prepared in accordance with Section 17-23-17.

[~~(43) "Residential facility for elderly persons" means a single-family or multiple-family dwelling unit that meets the requirements of Section 10-9a-516, but does not include a health care facility as defined by Section 26-21-2.~~]

[~~(44)~~] (43) "Residential facility for persons with a disability" means a residence:

(a) in which more than one person with a disability resides; and

(b) (i) which is licensed or certified by the Department of Human Services under Title 62A, Chapter 2, Licensure of Programs and Facilities; or

(ii) which is licensed or certified by the Department of Health under Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act.

[~~(45)~~] (44) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:

(a) parliamentary order and procedure;

(b) ethical behavior; and

(c) civil discourse.

[~~(46)~~] (45) "Sanitary sewer authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of sanitary sewer services or onsite wastewater systems.

[~~(47)~~] (46) "Sending zone" means an area of a municipality that the municipality designates, by ordinance, as an area from which an owner of land may transfer a transferable development right.

[~~(48)~~] (47) "Specified public agency" means:

(a) the state;

(b) a school district; or

(c) a charter school.

[~~(49)~~] (48) "Specified public utility" means an electrical corporation, gas corporation, or telephone corporation, as those terms are defined in Section 54-2-1.

[~~(50)~~] (49) "State" includes any department, division, or agency of the state.

[~~(51)~~] (50) "Street" means a public right-of-way, including a highway, avenue, boulevard, parkway, road, lane, walk, alley, viaduct, subway, tunnel, bridge, public easement, or other way.

[~~(52)~~] (51) (a) "Subdivision" means any land that is divided, resubdivided or proposed to be divided into two or more lots, parcels, sites, units, plots, or other division of land for the purpose, whether immediate or future, for offer, sale, lease, or development either on the installment plan or upon any and all other plans, terms, and conditions.

(b) "Subdivision" includes:

(i) the division or development of land whether by deed, metes and bounds description, devise and testacy, map, plat, or other recorded instrument; and

(ii) except as provided in Subsection [~~(52)~~] (51)(c), divisions of land for residential and nonresidential uses, including land used or to be used for commercial, agricultural, and industrial purposes.

(c) "Subdivision" does not include:

(i) a bona fide division or partition of agricultural land for the purpose of joining one of the resulting separate parcels to a contiguous parcel of unsubdivided agricultural land, if neither the resulting combined parcel nor the parcel remaining from the division or partition violates an applicable land use ordinance;

(ii) a recorded agreement between owners of adjoining unsubdivided properties adjusting their mutual boundary if:

(A) no new lot is created; and

(B) the adjustment does not violate applicable land use ordinances;

(iii) a recorded document, executed by the owner of record:

(A) revising the legal description of more than one contiguous unsubdivided parcel of property into one legal description encompassing all such parcels of property; or

(B) joining a subdivided parcel of property to another parcel of property that has not been subdivided, if the joinder does not violate applicable land use ordinances;

(iv) a recorded agreement between owners of adjoining subdivided properties adjusting their mutual boundary if:

(A) no new dwelling lot or housing unit will result from the adjustment; and

(B) the adjustment will not violate any applicable land use ordinance; or

(v) a bona fide division or partition of land by deed or other instrument where the land use authority expressly approves in writing the division in anticipation of further land use approvals on the parcel or parcels.

(d) The joining of a subdivided parcel of property to another parcel of property that has not been subdivided does not constitute a subdivision under this Subsection [~~(52)~~] (51) as to the unsubdivided parcel of property or subject the unsubdivided parcel to the municipality's subdivision ordinance.

(52) "Suspect soil" means soil that has:

(a) a high susceptibility for volumetric change, typically clay rich, having more than a 3% swell potential;

(b) bedrock units with high shrink or swell susceptibility; or

(c) gypsiferous silt and clay, gypsum, or bedrock units containing abundant gypsum commonly associated with dissolution and collapse features.

(53) "Therapeutic school" means a residential group living facility:

(a) for four or more individuals who are not related to:

(i) the owner of the facility; or

(ii) the primary service provider of the facility;

(b) that serves students who have a history of failing to function:

(i) at home;

(ii) in a public school; or

(iii) in a nonresidential private school; and

(c) that offers:

(i) room and board; and

(ii) an academic education integrated with:

(A) specialized structure and supervision; or

(B) services or treatment related to a disability, an emotional development, a behavioral development, a familial development, or a social development.

(54) "Transferable development right" means a right to develop and use land that originates by an ordinance that authorizes a land owner in a designated sending zone to transfer land use rights from a designated sending zone to a designated receiving zone.

(55) "Unincorporated" means the area outside of the incorporated area of a city or town.

(56) "Water interest" means any right to the beneficial use of water, including:

(a) each of the rights listed in Section 73-1-11; and

(b) an ownership interest in the right to the beneficial use of water represented by:

(i) a contract; or

(ii) a share in a water company, as defined in Section 73-3-3.5.

(57) "Zoning map" means a map, adopted as part of a land use ordinance, that depicts land use zones, overlays, or districts.

Section 2. Section **10-9a-104** is amended to read:

10-9a-104. Stricter requirements.

(1) Except as provided in Subsection (2), a municipality may enact an ordinance imposing stricter requirements or higher standards than are required by this chapter.

(2) A municipality may not impose stricter requirements or higher standards than are required by:

(a) Section 10-9a-305; and

(b) Section 10-9a-514[~~;~~].

[~~(c) Section 10-9a-516; and~~]

[~~(d) Section 10-9a-520.~~]

Section 3. Section **10-9a-508** is amended to read:

10-9a-508. Exactions -- Exaction for water interest -- Requirement to offer to original owner property acquired by exaction.

(1) A municipality may impose an exaction or exactions on development proposed in a land use application, including, subject to Subsection [~~(2)~~] (3), an exaction for a water interest, if:

(a) an essential link exists between a legitimate governmental interest and each exaction; and

(b) each exaction is roughly proportionate, both in nature and extent, to the impact of the proposed development.

(2) If a land use authority imposes an exaction for another governmental entity:

(a) the governmental entity shall request the exaction; and

(b) the land use authority shall transfer the exaction to the governmental entity for which it was exacted.

[~~(2)~~] (3) (a) (i) A municipality shall base any exaction for a water interest on the culinary water authority's established calculations of projected water interest requirements.

(ii) Upon an applicant's request, the culinary water authority shall provide the applicant with the basis for the culinary water authority's calculations under Subsection [~~(2)~~] (3)(a)(i) on which an exaction for a water interest is based.

(b) A municipality may not impose an exaction for a water interest if the culinary water authority's existing available water interests exceed the water interests needed to meet the reasonable future water requirement of the public, as determined under Subsection 73-1-4(2)(f).

[~~(3)~~] (4) (a) If a municipality plans to dispose of surplus real property that was acquired under this section and has been owned by the municipality for less than 15 years, the municipality shall first offer to reconvey the property, without receiving additional consideration, to the person who granted the property to the municipality.

(b) A person to whom a municipality offers to reconvey property under Subsection [~~(3)~~] (4)(a) has 90 days to accept or reject the municipality's offer.

(c) If a person to whom a municipality offers to reconvey property declines the offer, the municipality may offer the property for sale.

(d) Subsection [~~(3)~~] (4)(a) does not apply to the disposal of property acquired by exaction by a community development and renewal agency.

Section 4. Section **10-9a-516** is repealed and reenacted to read:

10-9a-516. Regulation of residential facilities for persons with disabilities.

A municipality may only regulate a residential facility for persons with a disability to the extent allowed by:

(1) Title 57, Chapter 21, Utah Fair Housing Act, and applicable jurisprudence;

(2) the Fair Housing Amendments Act of 1988, 42 U.S.C. Sec. 3601 et seq., and applicable jurisprudence; and

(3) Section 504, Rehabilitation Act of 1973, and applicable jurisprudence.

Section 5. Section **10-9a-520** is amended to read:

10-9a-520. Licensing of residences for persons with a disability.

[~~(1) Each municipality shall adopt an ordinance for residential facilities for persons with a disability.~~]

[~~(2) Each ordinance under Subsection (1) shall:~~]

[~~(a) comply with Title 57, Chapter 21, Utah Fair Housing Act, and the federal Fair Housing Amendments Act of 1988, 42 U.S.C. Sec. 3601 et seq.; and~~]

[~~(b) to the extent required by federal law, provide that a residential facility for persons with a disability is a permitted use in any zone where similar residential dwellings that are not residential facilities for persons with a disability are allowed.~~]

[~~(3) Subject to Subsection (2), an ordinance under Subsection (1) may:~~]

[~~(a) require residential facilities for persons with a disability:~~]

[~~(i) to be reasonably dispersed throughout the municipality;~~]

[~~(ii) to be limited by number of occupants;~~]

[~~(iii) for residential facilities for persons with a disability that are substance abuse facilities and are located within 500 feet of a school, to provide, in accordance with rules established by the Department of Human Services under Title 62A, Chapter 2, Licensure of Programs and Facilities:~~]

[~~(A) a security plan satisfactory to local law enforcement authorities;~~]

[~~(B) 24-hour supervision for residents; and~~]

[~~(C) other 24-hour security measures; and~~]

[~~(iv) to obtain permits that verify compliance with the same building, safety, and health regulations as are applicable in the same zone to similar uses that are not residential facilities for persons with a disability; and~~]

[~~(b) provide that a residential facility for persons with a disability that would likely create a fundamental change in the character of a residential neighborhood may be excluded from a zone.~~]

[~~(4)~~] The responsibility to license programs or entities that operate facilities for persons with a disability, as well as to require and monitor the provision of adequate services to persons residing in those facilities, shall rest with:

[~~(a)~~] (1) for programs or entities licensed or certified by the Department of Human Services, the Department of Human Services as provided in Title 62A, Chapter 5, Services [~~to~~] for People with Disabilities; and

[~~(b)~~] (2) for programs or entities licensed or certified by the Department of Health, the Department of Health under Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act.

Section 6. Section **10-9a-604.5** is repealed and reenacted to read:

10-9a-604.5. Subdivision plat recording or development activity before required infrastructure is completed -- Infrastructure completion assurance -- Infrastructure warranty.

(1) A land use authority shall establish objective inspection standards for acceptance of a landscaping or infrastructure improvement required by the land use authority as a condition of:

(a) subdivision; or

(b) development activity.

(2) (a) A land use authority shall require an applicant to complete a required

~~landscaping or infrastructure improvement prior to any plat recordation or development activity.~~

~~(b) Subsection (2)(a) does not apply if:~~

~~(i) upon the applicant's request, the land use authority has authorized the applicant to post an improvement completion assurance in a manner that is consistent with local ordinance; and~~

~~(ii) the land use authority has established a system for the partial release of the improvement completion assurance as portions of required improvements are completed and accepted.~~

(3) At any time up to the land use authority's acceptance of a landscaping or infrastructure improvement, and for the duration of each improvement warranty period, the land use authority may require the developer to:

(a) execute an improvement warranty for the improvement warranty period; and

(b) post a cash deposit, surety bond, letter of credit, or other similar security, as required by the municipality, in the amount of up to 10% of the lesser of the:

(i) engineer's original estimated cost of completion; or

(ii) applicant's reasonable proven cost of completion.

Section 7. Section **17-27a-103** is amended to read:

17-27a-103. Definitions.

As used in this chapter:

(1) "Affected entity" means a county, municipality, local district, special service district under Title 17D, Chapter 1, Special Service District Act, school district, interlocal cooperation entity established under Title 11, Chapter 13, Interlocal Cooperation Act, specified property owner, property owners association, public utility, or the Utah Department of Transportation, if:

(a) the entity's services or facilities are likely to require expansion or significant modification because of an intended use of land;

(b) the entity has filed with the county a copy of the entity's general or long-range plan;

or

(c) the entity has filed with the county a request for notice during the same calendar year and before the county provides notice to an affected entity in compliance with a requirement imposed under this chapter.

(2) "Appeal authority" means the person, board, commission, agency, or other body designated by ordinance to decide an appeal of a decision of a land use application or a variance.

(3) "Billboard" means a freestanding ground sign located on industrial, commercial, or residential property if the sign is designed or intended to direct attention to a business, product, or service that is not sold, offered, or existing on the property where the sign is located.

(4) (a) "Charter school" means:

(i) an operating charter school;

(ii) a charter school applicant that has its application approved by a chartering entity in accordance with Title 53A, Chapter 1a, Part 5, The Utah Charter Schools Act; or

(iii) an entity [~~who~~] that is working on behalf of a charter school or approved charter applicant to develop or construct a charter school building.

(b) "Charter school" does not include a therapeutic school.

(5) "Chief executive officer" means the person or body that exercises the executive powers of the county.

(6) "Conditional use" means a land use that, because of its unique characteristics or potential impact on the county, surrounding neighbors, or adjacent land uses, may not be compatible in some areas or may be compatible only if certain conditions are required that mitigate or eliminate the detrimental impacts.

(7) "Constitutional taking" means a governmental action that results in a taking of private property so that compensation to the owner of the property is required by the:

(a) Fifth or Fourteenth Amendment of the Constitution of the United States; or

(b) Utah Constitution Article I, Section 22.

(8) "Culinary water authority" means the department, agency, or public entity with

responsibility to review and approve the feasibility of the culinary water system and sources for the subject property.

(9) "Development activity" means:

(a) any construction or expansion of a building, structure, or use that creates additional demand and need for public facilities;

(b) any change in use of a building or structure that creates additional demand and need for public facilities; or

(c) any change in the use of land that creates additional demand and need for public facilities.

(10) (a) "Disability" means a physical or mental impairment that substantially limits one or more of a person's major life activities, including a person having a record of such an impairment or being regarded as having such an impairment.

(b) "Disability" does not include current illegal use of, or addiction to, any federally controlled substance, as defined in Section 102 of the Controlled Substances Act, 21 U.S.C. 802.

(11) "Educational facility":

(a) means:

(i) a school district's building at which pupils assemble to receive instruction in a program for any combination of grades from preschool through grade 12, including kindergarten and a program for children with disabilities;

(ii) a structure or facility:

(A) located on the same property as a building described in Subsection (11)(a)(i); and

(B) used in support of the use of that building; and

(iii) a building to provide office and related space to a school district's administrative personnel; and

(b) does not include:

(i) land or a structure, including land or a structure for inventory storage, equipment storage, food processing or preparing, vehicle storage or maintenance, or similar use that is:

(A) not located on the same property as a building described in Subsection (11)(a)(i); and

(B) used in support of the purposes of a building described in Subsection (11)(a)(i); or

(ii) a therapeutic school.

[~~(12) "Elderly person" means a person who is 60 years old or older, who desires or needs to live with other elderly persons in a group setting, but who is capable of living independently.~~]

[~~(13)~~] (12) "Fire authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of fire protection and suppression services for the subject property.

[~~(14)~~] (13) "Flood plain" means land that:

(a) is within the 100-year flood plain designated by the Federal Emergency Management Agency; or

(b) has not been studied or designated by the Federal Emergency Management Agency but presents a likelihood of experiencing chronic flooding or a catastrophic flood event because the land has characteristics that are similar to those of a 100-year flood plain designated by the Federal Emergency Management Agency.

[~~(15)~~] (14) "Gas corporation" has the same meaning as defined in Section 54-2-1.

[~~(16)~~] (15) "General plan" means a document that a county adopts that sets forth general guidelines for proposed future development of the unincorporated land within the county.

[~~(17)~~] (16) "Geologic hazard" means:

(a) a surface fault rupture;

(b) shallow groundwater;

(c) liquefaction;

(d) a landslide;

(e) a debris flow;

(f) unstable soil;

(g) a rock fall; or

(h) any other geologic condition that presents a risk:

(i) to life;

(ii) of substantial loss of real property; or

(iii) of substantial damage to real property.

[~~(18)~~] (17) "Internal lot restriction" means a platted note, platted demarcation, or platted designation that:

(a) runs with the land; and

(b) (i) creates a restriction that is enclosed within the perimeter of a lot described on the plat; or

(ii) designates a development condition that is enclosed within the perimeter of a lot described on the plat.

[~~(19)~~] (18) "Hookup fee" means a fee for the installation and inspection of any pipe, line, meter, or appurtenance to connect to a county water, sewer, storm water, power, or other utility system.

[~~(20)~~] (19) "Identical plans" means building plans submitted to a county that:

(a) are clearly marked as "identical plans";

(b) are substantially identical building plans that were previously submitted to and reviewed and approved by the county; and

(c) describe a building that:

(i) is located on land zoned the same as the land on which the building described in the previously approved plans is located;

(ii) is subject to the same geological and meteorological conditions and the same law as the building described in the previously approved plans;

(iii) has a floor plan identical to the building plan previously submitted to and reviewed and approved by the county; and

(iv) does not require any additional engineering or analysis.

[~~(21)~~] (20) "Impact fee" means a payment of money imposed under Title 11, Chapter

36a, Impact Fees Act.

[~~(22) "Improvement assurance" means a surety bond, letter of credit, cash, or other security:~~]

[~~(a) to guaranty the proper completion of an improvement;~~]

[~~(b) that is required as a condition precedent to:~~]

[~~(i) recording a subdivision plat; or~~]

[~~(ii) beginning development activity; and~~]

[~~(c) that is offered to a land use authority to induce the land use authority, before actual construction of required improvements, to:~~]

[~~(i) consent to the recording of a subdivision plat; or~~]

[~~(ii) issue a permit for development activity.~~]

[~~(23) "Improvement assurance warranty" means a promise that the materials and workmanship of improvements:~~]

[~~(a) comport with standards that the county has officially adopted; and~~]

[~~(b) will not fail in any material respect within a warranty period.~~]

(21) "Improvement completion assurance" means a surety bond, letter of credit, cash, or other security required by a county to guaranty the proper completion of landscaping or infrastructure that the land use authority has required as a condition precedent to:

(a) recording a subdivision plat; or

(b) beginning development activity.

(22) "Improvement warranty" means an applicant's unconditional warranty that the accepted landscaping or infrastructure:

(a) complies with the county's written standards for design, materials, and workmanship; and

(b) will not fail in any material respect, as a result of poor workmanship or materials, within the improvement warranty period.

(23) "Improvement warranty period" means a period:

(a) no later than one year after a county's acceptance of required landscaping; or

(b) no later than one year after a county's acceptance of required infrastructure, unless the county:

(i) determines for good cause that a one-year period would be inadequate to protect the public health, safety, and welfare; and

(ii) has substantial evidence, on record:

(A) of prior poor performance by the applicant; or

(B) that the area upon which the infrastructure will be constructed contains suspect soil and the county has not otherwise required the applicant to mitigate the suspect soil.

(24) "Interstate pipeline company" means a person or entity engaged in natural gas transportation subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, 15 U.S.C. Sec. 717 et seq.

(25) "Intrastate pipeline company" means a person or entity engaged in natural gas transportation that is not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act, 15 U.S.C. Sec. 717 et seq.

(26) "Land use application" means an application required by a county's land use ordinance.

(27) "Land use authority" means a person, board, commission, agency, or other body designated by the local legislative body to act upon a land use application.

(28) "Land use ordinance" means a planning, zoning, development, or subdivision ordinance of the county, but does not include the general plan.

(29) "Land use permit" means a permit issued by a land use authority.

(30) "Legislative body" means the county legislative body, or for a county that has adopted an alternative form of government, the body exercising legislative powers.

(31) "Local district" means any entity under Title 17B, Limited Purpose Local Government Entities - Local Districts, and any other governmental or quasi-governmental entity that is not a county, municipality, school district, or the state.

(32) "Lot line adjustment" means the relocation of the property boundary line in a subdivision between two adjoining lots with the consent of the owners of record.

(33) "Moderate income housing" means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the housing is located.

(34) "Nominal fee" means a fee that reasonably reimburses a county only for time spent and expenses incurred in:

(a) verifying that building plans are identical plans; and

(b) reviewing and approving those minor aspects of identical plans that differ from the previously reviewed and approved building plans.

(35) "Noncomplying structure" means a structure that:

(a) legally existed before its current land use designation; and

(b) because of one or more subsequent land use ordinance changes, does not conform to the setback, height restrictions, or other regulations, excluding those regulations that govern the use of land.

(36) "Nonconforming use" means a use of land that:

(a) legally existed before its current land use designation;

(b) has been maintained continuously since the time the land use ordinance regulation governing the land changed; and

(c) because of one or more subsequent land use ordinance changes, does not conform to the regulations that now govern the use of the land.

(37) "Official map" means a map drawn by county authorities and recorded in the county recorder's office that:

(a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for highways and other transportation facilities;

(b) provides a basis for restricting development in designated rights-of-way or between designated setbacks to allow the government authorities time to purchase or otherwise reserve the land; and

(c) has been adopted as an element of the county's general plan.

(38) "Person" means an individual, corporation, partnership, organization, association,

trust, governmental agency, or any other legal entity.

(39) "Plan for moderate income housing" means a written document adopted by a county legislative body that includes:

(a) an estimate of the existing supply of moderate income housing located within the county;

(b) an estimate of the need for moderate income housing in the county for the next five years as revised biennially;

(c) a survey of total residential land use;

(d) an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and

(e) a description of the county's program to encourage an adequate supply of moderate income housing.

(40) "Plat" means a map or other graphical representation of lands being laid out and prepared in accordance with Section 17-27a-603, 17-23-17, or 57-8-13.

(41) "Potential geologic hazard area" means an area that:

(a) is designated by a Utah Geological Survey map, county geologist map, or other relevant map or report as needing further study to determine the area's potential for geologic hazard; or

(b) has not been studied by the Utah Geological Survey or a county geologist but presents the potential of geologic hazard because the area has characteristics similar to those of a designated geologic hazard area.

(42) "Public agency" means:

(a) the federal government;

(b) the state;

(c) a county, municipality, school district, local district, special service district, or other political subdivision of the state; or

(d) a charter school.

(43) "Public hearing" means a hearing at which members of the public are provided a

reasonable opportunity to comment on the subject of the hearing.

(44) "Public meeting" means a meeting that is required to be open to the public under Title 52, Chapter 4, Open and Public Meetings Act.

(45) "Receiving zone" means an unincorporated area of a county that the county designates, by ordinance, as an area in which an owner of land may receive a transferable development right.

(46) "Record of survey map" means a map of a survey of land prepared in accordance with Section 17-23-17.

[~~(47) "Residential facility for elderly persons" means a single-family or multiple-family dwelling unit that meets the requirements of Section 17-27a-515, but does not include a health care facility as defined by Section 26-21-2.~~]

[~~(48)~~] (47) "Residential facility for persons with a disability" means a residence:

(a) in which more than one person with a disability resides; and

(b) (i) which is licensed or certified by the Department of Human Services under Title 62A, Chapter 2, Licensure of Programs and Facilities; or

(ii) which is licensed or certified by the Department of Health under Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act.

[~~(49)~~] (48) "Rules of order and procedure" means a set of rules that govern and prescribe in a public meeting:

(a) parliamentary order and procedure;

(b) ethical behavior; and

(c) civil discourse.

[~~(50)~~] (49) "Sanitary sewer authority" means the department, agency, or public entity with responsibility to review and approve the feasibility of sanitary sewer services or onsite wastewater systems.

[~~(51)~~] (50) "Sending zone" means an unincorporated area of a county that the county designates, by ordinance, as an area from which an owner of land may transfer a transferable development right.

[~~(52)~~] (51) "Specified public agency" means:

(a) the state;

(b) a school district; or

(c) a charter school.

[~~(53)~~] (52) "Specified public utility" means an electrical corporation, gas corporation, or telephone corporation, as those terms are defined in Section 54-2-1.

[~~(54)~~] (53) "State" includes any department, division, or agency of the state.

[~~(55)~~] (54) "Street" means a public right-of-way, including a highway, avenue, boulevard, parkway, road, lane, walk, alley, viaduct, subway, tunnel, bridge, public easement, or other way.

[~~(56)~~] (55) (a) "Subdivision" means any land that is divided, resubdivided or proposed to be divided into two or more lots, parcels, sites, units, plots, or other division of land for the purpose, whether immediate or future, for offer, sale, lease, or development either on the installment plan or upon any and all other plans, terms, and conditions.

(b) "Subdivision" includes:

(i) the division or development of land whether by deed, metes and bounds description, devise and testacy, map, plat, or other recorded instrument; and

(ii) except as provided in Subsection [~~(56)~~] (55)(c), divisions of land for residential and nonresidential uses, including land used or to be used for commercial, agricultural, and industrial purposes.

(c) "Subdivision" does not include:

(i) a bona fide division or partition of agricultural land for agricultural purposes;

(ii) a recorded agreement between owners of adjoining properties adjusting their mutual boundary if:

(A) no new lot is created; and

(B) the adjustment does not violate applicable land use ordinances;

(iii) a recorded document, executed by the owner of record:

(A) revising the legal description of more than one contiguous unsubdivided parcel of property into one legal description encompassing all such parcels of property; or

(B) joining a subdivided parcel of property to another parcel of property that has not been subdivided, if the joinder does not violate applicable land use ordinances;

(iv) a bona fide division or partition of land in a county other than a first class county for the purpose of siting, on one or more of the resulting separate parcels:

(A) an electrical transmission line or a substation;

(B) a natural gas pipeline or a regulation station; or

(C) an unmanned telecommunications, microwave, fiber optic, electrical, or other utility service regeneration, transformation, retransmission, or amplification facility;

(v) a recorded agreement between owners of adjoining subdivided properties adjusting their mutual boundary if:

(A) no new dwelling lot or housing unit will result from the adjustment; and

(B) the adjustment will not violate any applicable land use ordinance; or

(vi) a bona fide division or partition of land by deed or other instrument where the land use authority expressly approves in writing the division in anticipation of further land use approvals on the parcel or parcels.

(d) The joining of a subdivided parcel of property to another parcel of property that has not been subdivided does not constitute a subdivision under this Subsection [~~(56)~~] (55) as to the unsubdivided parcel of property or subject the unsubdivided parcel to the county's subdivision ordinance.

(56) "Suspect soil" means soil that has:

(a) a high susceptibility for volumetric change, typically clay rich, having more than a 3% swell potential;

(b) bedrock units with high shrink or swell susceptibility; or

(c) gypsiferous silt and clay, gypsum, or bedrock units containing abundant gypsum commonly associated with dissolution and collapse features.

(57) "Therapeutic school" means a residential group living facility:

(a) for four or more individuals who are not related to:

(i) the owner of the facility; or

(ii) the primary service provider of the facility;

(b) that serves students who have a history of failing to function:

(i) at home;

(ii) in a public school; or

(iii) in a nonresidential private school; and

(c) that offers:

(i) room and board; and

(ii) an academic education integrated with:

(A) specialized structure and supervision; or

(B) services or treatment related to a disability, an emotional development, a behavioral development, a familial development, or a social development.

(58) "Township" means a contiguous, geographically defined portion of the unincorporated area of a county, established under this part or reconstituted or reinstated under Section 17-27a-306, with planning and zoning functions as exercised through the township planning commission, as provided in this chapter, but with no legal or political identity separate from the county and no taxing authority, except that "township" means a former township under Laws of Utah 1996, Chapter 308, where the context so indicates.

(59) "Transferable development right" means a right to develop and use land that originates by an ordinance that authorizes a land owner in a designated sending zone to transfer land use rights from a designated sending zone to a designated receiving zone.

(60) "Unincorporated" means the area outside of the incorporated area of a municipality.

(61) "Water interest" means any right to the beneficial use of water, including:

(a) each of the rights listed in Section 73-1-11; and

(b) an ownership interest in the right to the beneficial use of water represented by:

(i) a contract; or

(ii) a share in a water company, as defined in Section 73-3-3.5.

(62) "Zoning map" means a map, adopted as part of a land use ordinance, that depicts land use zones, overlays, or districts.

Section 8. Section **17-27a-104** is amended to read:

17-27a-104. Stricter requirements.

(1) Except as provided in Subsection (2), a county may enact an ordinance imposing stricter requirements or higher standards than are required by this chapter.

(2) A county may not impose stricter requirements or higher standards than are required by:

(a) Section 17-27a-305; and

(b) Section 17-27a-513[~~;~~].

[~~(c) Section 17-27a-515; and~~]

[~~(d) Section 17-27a-519.~~]

Section 9. Section **17-27a-507** is amended to read:

17-27a-507. Exactions -- Exaction for water interest -- Requirement to offer to original owner property acquired by exaction.

(1) A county may impose an exaction or exactions on development proposed in a land use application, including, subject to Subsection [~~(2)~~] (3), an exaction for a water interest, if:

(a) an essential link exists between a legitimate governmental interest and each exaction; and

(b) each exaction is roughly proportionate, both in nature and extent, to the impact of the proposed development.

(2) If a land use authority imposes an exaction for another governmental entity:

(a) the governmental entity shall request the exaction; and

(b) the land use authority shall transfer the exaction to the governmental entity for which it was exacted.

[~~(2)~~] (3) (a) (i) A county or, if applicable, the county's culinary water authority shall base any exaction for a water interest on the culinary water authority's established calculations of projected water interest requirements.

(ii) Upon an applicant's request, the culinary water authority shall provide the applicant with the basis for the culinary water authority's calculations under Subsection [~~(2)~~] (3)(a)(i) on which an exaction for a water interest is based.

(b) A county or its culinary water authority may not impose an exaction for a water interest if the culinary water authority's existing available water interests exceed the water interests needed to meet the reasonable future water requirement of the public, as determined under Subsection 73-1-4(2)(f).

[~~(3)~~] (4) (a) If a county plans to dispose of surplus real property under Section 17-50-312 that was acquired under this section and has been owned by the county for less than 15 years, the county shall first offer to reconvey the property, without receiving additional consideration, to the person who granted the property to the county.

(b) A person to whom a county offers to reconvey property under Subsection [~~(3)~~] (4)(a) has 90 days to accept or reject the county's offer.

(c) If a person to whom a county offers to reconvey property declines the offer, the county may offer the property for sale.

(d) Subsection [~~(3)~~] (4)(a) does not apply to the disposal of property acquired by exaction by a community development or urban renewal agency.

Section 10. Section **17-27a-515** is repealed and reenacted to read:

17-27a-515. Regulation of residential facilities for persons with disabilities.

A county may only regulate a residential facility for persons with a disability to the extent allowed by:

(1) Title 57, Chapter 21, Utah Fair Housing Act, and applicable jurisprudence;

(2) the Fair Housing Amendments Act of 1988, 42 U.S.C. Sec. 3601 et seq., and applicable jurisprudence; and

(3) Section 504, Rehabilitation Act of 1973, and applicable jurisprudence.

Section 11. Section **17-27a-519** is amended to read:

17-27a-519. Licensing of residences for persons with a disability.

[~~(1) Each county shall adopt an ordinance for residential facilities for persons with a~~

~~disability.~~]

[~~(2) Each ordinance under Subsection (1) shall:~~]

[~~(a) comply with Title 57, Chapter 21, Utah Fair Housing Act, and the federal Fair Housing Amendments Act of 1988, 42 U.S.C. Sec. 3601 et seq.; and~~]

[~~(b) to the extent required by federal law, provide that a residential facility for persons with a disability is a permitted use in any zone where similar residential dwellings that are not residential facilities for persons with a disability are allowed.~~]

[~~(3) Subject to Subsection (2), an ordinance under Subsection (1) may:~~]

[~~(a) require residential facilities for persons with a disability:~~]

[~~(i) to be reasonably dispersed throughout the county;~~]

[~~(ii) to be limited by number of occupants;~~]

[~~(iii) for residential facilities for persons with a disability that are substance abuse facilities and are located within 500 feet of a school, to provide, in accordance with rules established by the Department of Human Services under Title 62A, Chapter 2, Licensure of Programs and Facilities:~~]

[~~(A) a security plan satisfactory to local law enforcement authorities;~~]

[~~(B) 24-hour supervision for residents; and~~]

[~~(C) other 24-hour security measures; and~~]

[~~(iv) to obtain permits that verify compliance with the same building, safety, and health regulations as are applicable in the same zone to similar uses that are not residential facilities for persons with a disability; and~~]

[~~(b) provide that a residential facility for persons with a disability that would likely create a fundamental change in the character of a residential neighborhood may be excluded from a zone.~~]

[~~(4)~~] The responsibility to license programs or entities that operate facilities for persons with a disability, as well as to require and monitor the provision of adequate services to persons residing in those facilities, shall rest with:

[~~(a)~~] (1) for programs or entities licensed or certified by the Department of Human

Services, the Department of Human Services as provided in Title 62A, Chapter 5, Services [~~to~~] for People with Disabilities; and

[~~(b)~~] (2) for programs or entities licensed or certified by the Department of Health, the Department of Health under Title 26, Chapter 21, Health Care Facility Licensing and Inspection Act.

Section 12. Section **17-27a-604.5** is repealed and reenacted to read:

17-27a-604.5. Subdivision plat recording or development activity before required infrastructure is completed -- Infrastructure completion assurance -- Infrastructure warranty.

(1) A land use authority shall establish objective inspection standards for acceptance of a landscaping or infrastructure improvement required by the land use authority as a condition of:

(a) subdivision; or

(b) development activity.

(2) (a) A land use authority shall require an applicant to complete a required landscaping or infrastructure improvement prior to any plat recordation or development activity.

(b) Subsection (2)(a) does not apply if:

(i) upon the applicant's request, the land use authority has authorized the applicant to post an improvement completion assurance in a manner that is consistent with local ordinance; and

(ii) the land use authority has established a system for the partial release of the improvement completion assurance as portions of required improvements are completed and accepted.

(3) At any time up to the land use authority's acceptance of a landscaping or infrastructure improvement, and for the duration of each improvement warranty period, the land use authority may require the developer to:

(a) execute an improvement warranty for the improvement warranty period; and

(b) post a cash deposit, surety bond, letter of credit, or other similar security, as required by the county, in the amount of up to 10% of the lesser of the:

(i) engineer's original estimated cost of completion; or

(ii) applicant's reasonable proven cost of completion.

Section 13. Section **17B-1-119** is repealed and reenacted to read:

17B-1-119. Duty to comply with local land use provisions.

A local district shall comply with Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, and Title 17, Chapter 27a, County Land Use, Development, and Management Act, as applicable, if a land use authority consults with or allows the local district to participate in any way in a land use authority's land use development review or approval process.

Section 14. **Repealer.**

This bill repeals:

Section **10-9a-517, Municipal ordinances governing elderly residential facilities.**

Section **10-9a-518, Municipal approval of elderly residential facilities.**

Section **10-9a-519, Elderly residential facilities in areas zoned exclusively for single-family dwellings.**

Section **17-27a-516, County ordinances governing elderly residential facilities.**

Section **17-27a-517, County approval of elderly residential facilities.**

Section **17-27a-518, Elderly residential facilities in areas zoned exclusively for single-family dwellings.**

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 5.

Short Title: First Amendment to Wal-Mart Development Agreement

Initiated By: City Attorney

Scheduled Time: 8:10

SUBJECT

Consider First Amendment to the Wal-Mart Development Agreement regarding Exterior Building Colors and Signage

RECOMMENDATION

Approve First Amendment to the Wal-Mart Development Agreement regarding Exterior Building Colors and Signage, subject to Developer providing an updated title report to the City Attorney for review and confirmation prior to execution and recording of the Development Agreement Amendment. Such approval includes minor amendments deemed necessary by the City Attorney based on review of the title report, including property owner(s) of record and significant lienholders. Developer shall not commence with approved building color and signage alterations until and unless the Development Agreement Amendment has been recorded at the Davis County Recorder's Office.

BACKGROUND

As indicated in the attached Staff Report, Wal-Mart desires to repaint the outside of the Wal-Mart Store located at the southeast corner of 400 West and Parrish Lane and to replace the signage on the building. Such alterations require an amendment to the Development Agreement for the Project, including amendments to Exhibit F-2 (regarding building colors) and Exhibit F-6 (regarding signage).

ATTACHMENTS:

Description

- Staff Report
- First Amendment to Development Agreement
- Exhibits

CENTERVILLE CITY
COMMUNITY DEVELOPMENT DEPARTMENT

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

STAFF TRANSMITTAL REPORT

DATE:	**MARCH 3, 2014**
TO:	**STEVE THACKER, CITY MANAGER**
FROM:	**BRANDON TOPONCE, ASSISTANT CITY PLANNER**
SUBJECT:	**FIRST AMENDMENT TO THE WAL-MART DEVELOPMENT AGREEMENT**

BACKGROUND

Wal-Mart is currently going through a remodeling project at the Centerville location. This remodeling includes interior alterations and repainting of the outside of the building. With the repainting they also desire to replace the signage on all portions of the building, including a new logo facing Parrish Lane.

EXISTING EXHIBITS

According to the recorded Development Agreement dated December 24, 2005, Wal-Mart was approved for a specific color scheme as found within Exhibit F-2. This color scheme included more red and cream tones with a dark tan brick. In addition, Exhibit F-6 indicated the approved signs to be located in specific location and also designated the style of each sign. The applicant adhered to these colors and sign requirements at the time the building was constructed.

PROPOSED EXHIBITS

The applicant now desires to give the store a fresh new look by requesting modifications to Exhibit F-2 and Exhibit F-6. Exhibit F-2, will allow Wal-Mart to modify the colors to more desired brown tones. However, this modification will not be altering the brick, rock façade or metal trimming. Concerning Exhibit F-6, the signage is being reduced to the following measurements, 3% wall coverage on a primary wall .33% on a secondary wall and all other remaining walls at 17.7 square feet. The letter design and logo have been altered to reflect Wal-Mart's new look they desire to have.

RECOMMENDATION

Approve the amendments to Exhibit F-2 in regard to Wal-Mart building elevations and features, and Exhibit F-6, Wal-Mart signage plan. The first Amendment to the Development Agreement must then be recorded at the Davis County Recorder's office prior to the applicant proceeding with the proposed exterior alterations.

When recorded, return to:

Centerville City
Attn: City Recorder
250 North Main Street
Centerville, Utah 84014

Affects Parcels:

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN CENTERVILLE CITY AND WAL-MART STORES, INC.

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT ("Amendment") is made and entered into as of the ______day of________________, 2014, by and between **CENTERVILLE CITY,** a Utah municipal corporation ("City"), and **WAL-MART STORES, INC.,** a Delaware corporation ("Developer").

RECITALS:

WHEREAS, the City and Developer previously entered into that certain Development Agreement dated December 24, 2005, and recorded at the Davis County Recorder's Office on August 23, 2006, Entry No. 2195220, Book No.4102, Pages 266-330 ("Development Agreement"), regarding the development of the Centerville Wal-Mart Subdivision and Planned Center Project consisting of approximately 22.50 acres of real property located at the southeast corner of 400 West and Parrish Lane in Centerville City, Davis County, State of Utah, as more particularly described in **Exhibit 1**, attached hereto and incorporated herein by this reference (the "Property"); and

WHEREAS, Developer has requested and desires to amend Exhibit F-2 to the Development Agreement regarding the Wal-Mart Building Elevations and Features and Exhibit F-6 regarding the Wal-Mart Signage Plan as more particularly provided herein; and

WHEREAS, the City is willing to amend Exhibit F-2 to the Development Agreement regarding the Wal-Mart Building Elevations and Features and Exhibit F-6 regarding the Wal-Mart Signage Plan subject to the terms and conditions of this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Amendment.

2. **Amendment**. Exhibit F-2 to the Development Agreement regarding the Wal-Mart Building Elevations and Features is hereby amended to read in its entirety as set forth in **Exhibit 2,** attached hereto and incorporated herein by this reference.

3. **Amendment**. Exhibit F-6 to the Development Agreement regarding the Wal-Mart Signage Plan is hereby amended to read in its entirety as set forth in **Exhibit 3,** attached hereto and incorporated herein by this reference.

4. **Full Force and Effect.** The terms and conditions of this Amendment are hereby incorporated as part of the Development Agreement. All other terms and conditions of the Development Agreement not modified by this Amendment shall remain in full force and effect and are hereby ratified and affirmed.

5. **Binding Effect.** This Amendment shall be binding upon the parties hereto and their respective officers, agents, employees, successors and assigns, as permitted herein. The covenants contained herein shall be deemed to run with the Property and a copy of this Amendment shall be recorded in the office of the Davis County Recorder, State of Utah. All recording fees shall be paid by Developer.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

"CITY"
CENTERVILLE CITY

ATTEST:

____
Marsha L. Morrow, City Recorder

By:______________________________
Mayor Paul A. Cutler

"DEVELOPER"
WAL-MART STORES, INC.

By:______________________________

Its:______________________________

CITY ACKNOWLEDGMENT

STATE OF UTAH)
:ss.
COUNTY OF DAVIS)

On the _______ day of _______________, 2014, personally appeared before me Paul A. Cutler, who being duly sworn, did say that he is the Mayor of **CENTERVILLE CITY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said Paul A. Cutler acknowledged to me that the City executed the same.

____
Notary Public

My Commission Expires: Residing at:

____________________ ________________________________

WAL-MART ACKNOWLEDGMENT

STATE OF ____________)
:ss.
COUNTY OF __________)

On the _______ day of ________________, 2014, personally appeared before me __________________________ who being by me duly sworn did say that (s)he is the __________________________ of **WAL-MART STORES, INC.**, a Delaware corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board and duly acknowledged to me that said corporation executed the same.

____
Notary Public

My Commission Expires: Residing at:

____________________ ________________________________

EXHIBIT 1

PROPERTY DESCRIPTION

All of the Centerville Wal-Mart Subdivision Plat located in Centerville, Utah, as filed at the Davis County Recorder's Office, State of Utah

EXHIBIT 2

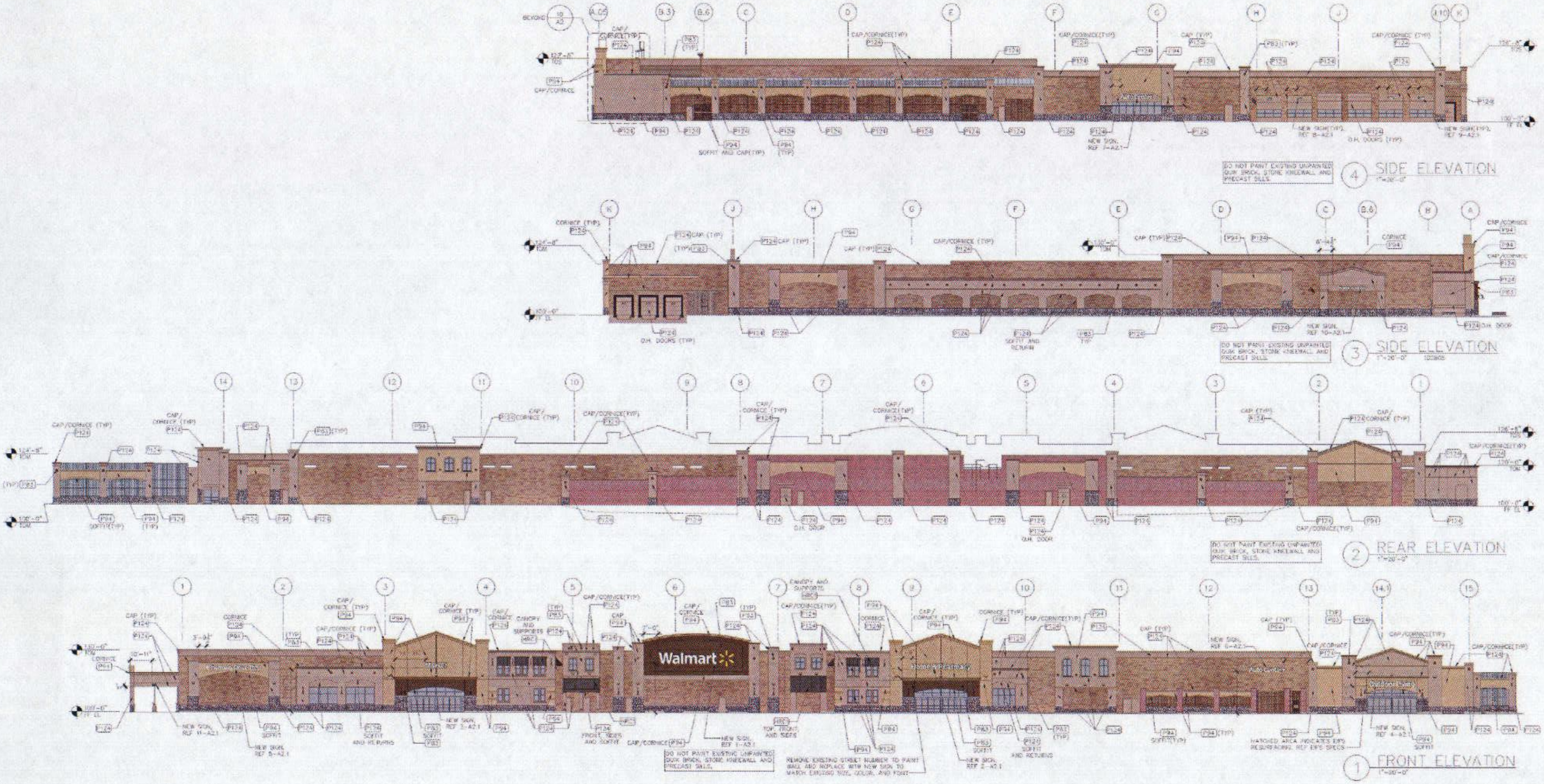
EXHIBIT F-2 TO THE DEVELOPMENT AGREEMENT

Wal-Mart Building Elevations and Features

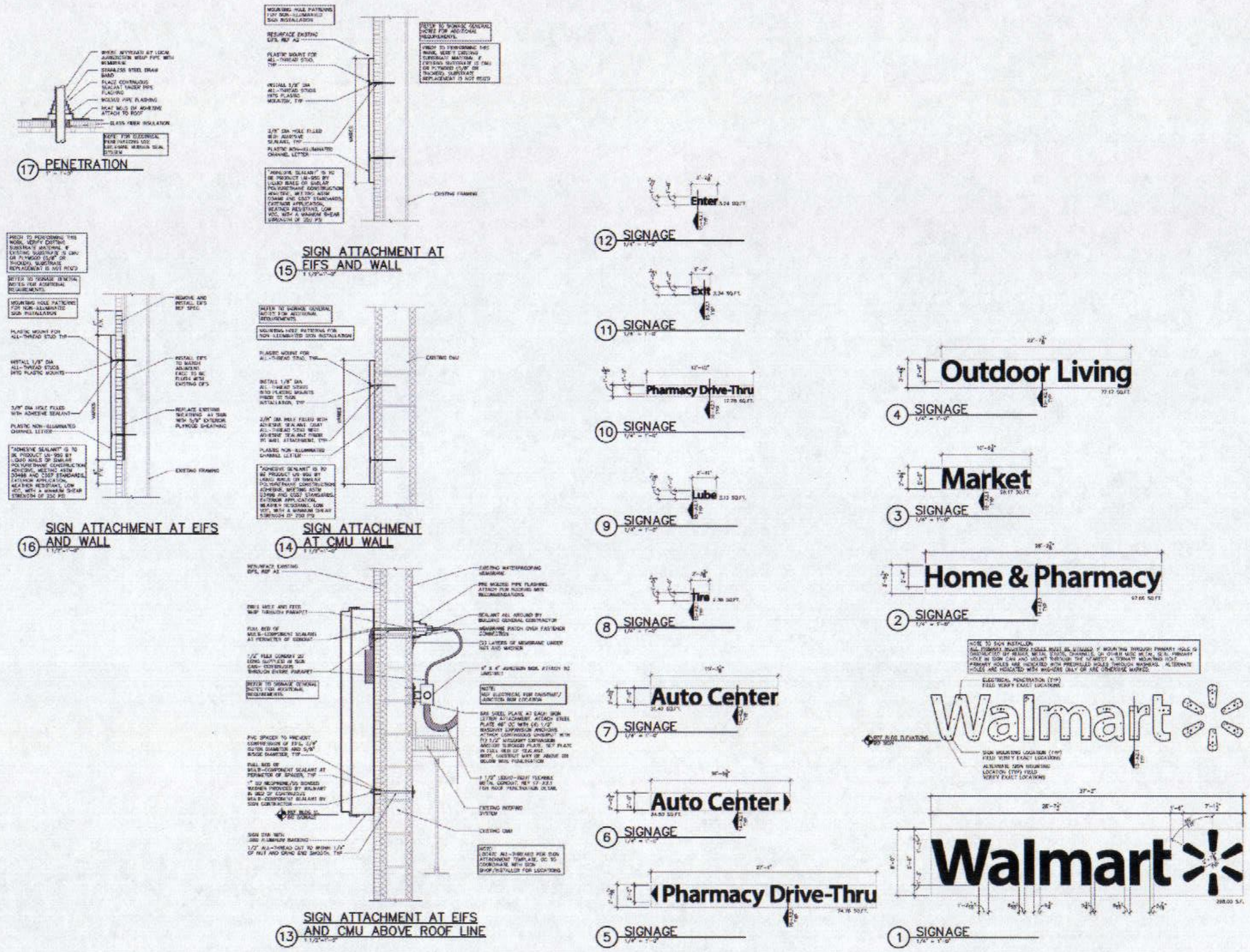
EXHIBIT 3

EXHIBIT F-6 TO THE DEVELOPMENT AGREEMENT

Wal-Mart Signage Plan



Scott A. Pearce Architect	January 27, 2014	Centerville, UT #3366	Elevations	1



17 PENETRATION
15 SIGN ATTACHMENT AT EIFS AND WALL
16 SIGN ATTACHMENT AT EIFS AND WALL
14 SIGN ATTACHMENT AT CMU WALL
13 SIGN ATTACHMENT AT EIFS AND CMU ABOVE ROOF LINE
Enter
12 SIGNAGE
Exit
11 SIGNAGE
Pharmacy Drive-Thru
10 SIGNAGE
Lube
9 SIGNAGE
Tire
8 SIGNAGE
Auto Center
7 SIGNAGE
Auto Center
6 SIGNAGE
Pharmacy Drive-Thru
5 SIGNAGE
Outdoor Living
4 SIGNAGE
Market
3 SIGNAGE
Home & Pharmacy
2 SIGNAGE
Walmart
Walmart
1 SIGNAGE

Existing Pylon Signs

Existing Pylon Signs

Proposed Pylon Signs: Paint main Meadowlark, Cornice Dromedary Camel and cabinets Duranodic Bronze. Reface sign panels per brand.

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 6.

Short Title: Discuss potential enhancements to Main & Parrish Intersection Project

Initiated By: Councilwoman Tami Fillmore

Scheduled Time: 8:20

SUBJECT

RECOMMENDATION

Discuss potential enhancements that could be incorporated into the Main & Parrish Intersection Project and give staff direction whether to pursue any of these enhancements.

BACKGROUND

Recently Councilwoman Tami Fillmore expressed a desire to explore ways to make the Main & Parrish Intersection Project more visually appealing and more pedestrian friendly. Mayor Cutler sat in on an initial meeting on Feb. 21 where the possibilities were identified and discussed with the Councilwoman, City Manager, City Engineer and Community Development Director. The types of enhancements discussed included the following:

* Trees in the parkstrips or behind the sidewalk
* Non-standard crosswalk design/materials
* Bollards on the corners to protect pedestrians and add vertical appeal
* Colored concrete for the handicap ramps and some portions of sidewalks
* Pedestrian scale streetlights instead of the standard overhead lights
* Powder coating (black) of the traffic signals
* Customized street name signs
* More attractive design for the pedestrian push-button for crossing the street

At the conclusion of that meeting, City Engineer Kevin Campbell was assigned to discuss these ideas with the Lochner design engineer responsible for preparing the final construction plans. A second meeting was then held with the same group of persons--minus the Mayor but this time with Brett Slater, the UDOT Project Manager for this intersection project. At the conclusion of that meeting, several of these ideas were dropped due to UDOT restrictions or were delayed to be considered at a later time, perhaps in conjunction with the design of public space improvements for the South Main Street Corridor between Parrish Lane and Pages Lane. A few enhancements, however, were identified as feasible to be included in the current project, and Brett Slater subsequently provided estimates of the additional cost these would add to the project. **These would be considered "betterments" and would have to be funded by the City.** These items are:

* Stamped colored asphalt in the crosswalks on two intersection legs -- $12,000
* Colored curb and gutter 200 LF -- $1600
* Colored flat work 1400 SF -- $8400
* Powder coating signal poles -- $8000
* **Total cost estimate: $30,000**

A potential source of funding for these is the Redevelopment Agency. Even though this intersection is not in the Parrish Gateway Project Area, the Project Area Plan and state law allows tax increment to be used for infrastructure improvements that serve the Project Area but are outside the Project Area's formal boundaries (see attachments). If the City Council is interested in adding these enhancements to the intersection project, staff recommend these be funded by the RDA so as not to compete for General Fund revenues that are needed for other purposes.
The agenda for the RDA meeting following the City Council meeting shows a discussion about using RDA funds for these enhancements.

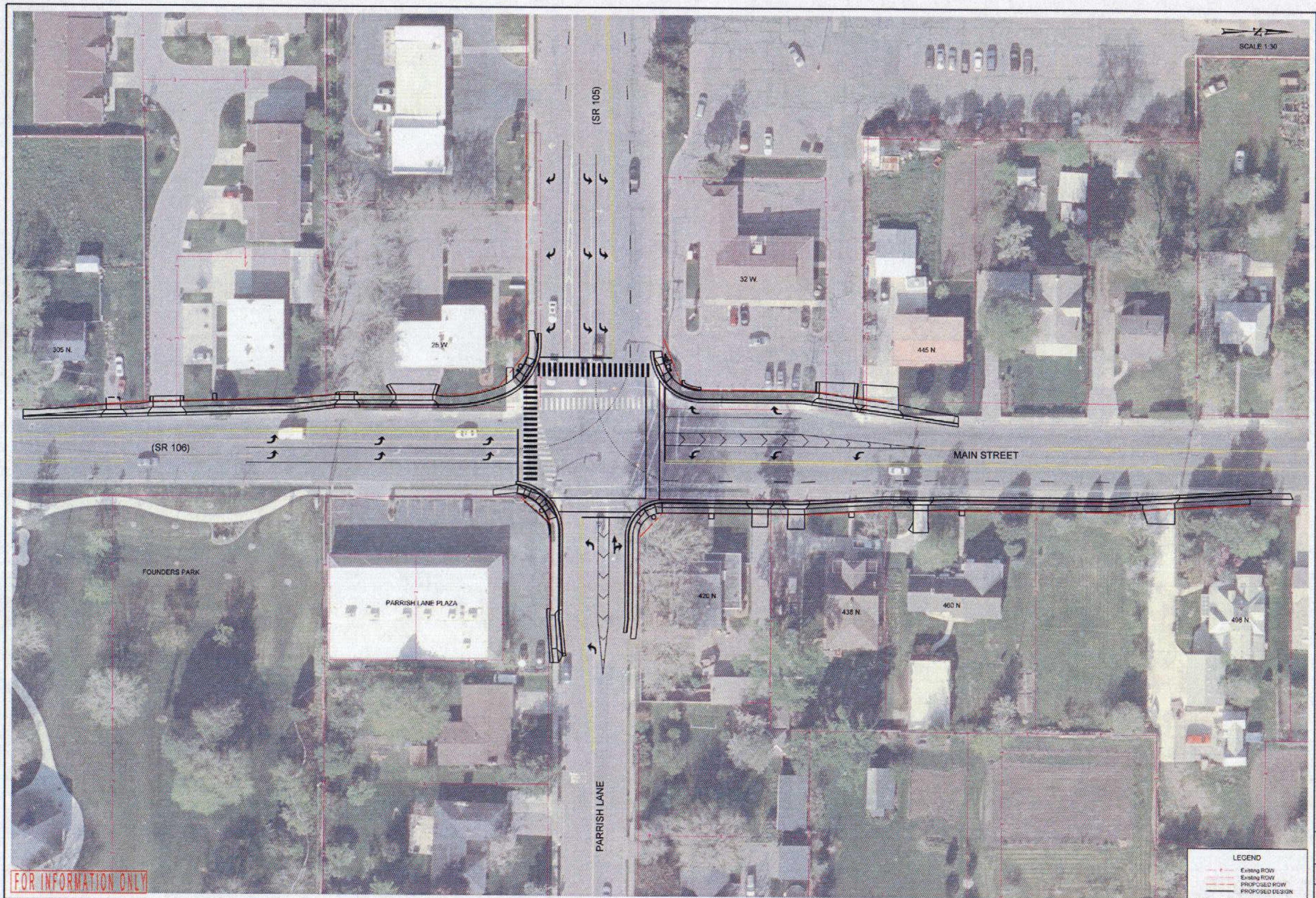
Because of the tight time frame for getting this project out to bid, Brett Slater recommended these enhancements be added to the bid via an addendum issued after the plans are released for bidding--assuming the City Council/RDA Board wishes to pursue this idea.

For reference during discussion of this matter, see the attached project footprint overlaid on an aerial photo.

ATTACHMENTS:

Description

- Parrish and Main Project
- Current RDA law excerpt
- Parrish Gateway Plan



UTAH DEPARTMENT OF TRANSPORTATION	
PROJECT	SR-106, MAIN ST. & PARRISH LANE
	CENTERVILLE
PROJECT NUMBER	F-0106(11)3
PIN	7194
	OVERALL PLAN
APPROVED	
PROFESSIONAL ENGINEER	
DATE	
DRAWN BY	
QC CHECKED BY	
REVISIONS	
NO. / DATE / APPROVED BY / REMARKS	
ESI Project No. 11-136	
SHEET NO.	1

11-19-33. Payments by agency in lieu of taxes.

The agency may pay to any or all taxing agencies an amount of money in lieu of taxes which have been allocated to the agency under Section 11-19-29. The agency may pay to any school district with territory located within the project area any amount of money which [in] the agency's determination is appropriate to alleviate any financial burden or detriment caused to the school district by a redevelopment project. 1974

11-19-34. Transmittal of preliminary plan information to taxing and other agencies — Consultation with taxing agencies.

(1) Within five days of creation of a preliminary plan, the agency shall transmit to the State Tax Commission, State Board of Education, the auditor, assessor, treasurer, and legislative body of the county in which the proposed project area is located, and the governing body of each taxing agency which levies taxes upon any property in the proposed project area, and which would be affected by a division of tax revenues pursuant to Section 11-19-29 permissible under the redevelopment plan:

(a) a description of the boundaries of the proposed project area;

(b) a map showing the boundaries of the proposed project area;

(c) a statement that a plan for the redevelopment of the proposed project area is being prepared; and

(d) a statement that, if the redevelopment plan is adopted and permits such a division of tax revenues, property taxes resulting from increases in valuation above the taxable value as shown on the last equalized assessment roll could be allocated to the agency for redevelopment purposes, rather than being paid into the treasury of the taxing agency.

(2) Prior to the public hearing as provided for in Section 11-19-15, the agency shall consult with each taxing agency which levies taxes on property in the proposed project area regarding the preliminary plan. 1988

11-19-35. Payment for land or cost of buildings, facilities, structures or other improvements of benefit to project area.

(1) An agency may, with the consent of the legislative body, pay all or part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement which is publicly owned within the project area, upon a determination by resolution of the agency and local legislative body that such buildings, facilities, structures, or other improvements are of benefit to the project area regardless of whether such improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that such improvement is of benefit to an adjacent project area of the agency. Such determination by the agency and the local legislative body shall be final and conclusive as to the issue of benefit to the project area.

(2) When the value of such land or the cost of the installation and construction of such building, facility, structure, or other improvement, or both, has been, or will be, paid or provided for initially by the community or other public corporation, the agency may enter into a contract with the community or other public corporation under which it agrees to reimburse the community or other public corporation for all or part of the value of such land or all or part of the cost of such building, facility, structure, or other improvement, or both, by periodic payments over a period of years.

(3) The obligation of the agency under such contract shall constitute an indebtedness of the agency for the purpose of carrying out the redevelopment project for such project area, which indebtedness may be made payable out of taxes levied in such project area and allocated to the agency under Subsection (1)(b) of Section 11-19-29 or out of any other available funds.

(4) In a case where such land has been or will be acquired by, or the cost of the installation and construction of such building, facility, structure or other improvement has been paid by, a parking authority, joint powers entity, or other public corporation to provide a building, facility, structure, or other improvement which has been or will be leased to the community, such contract may be made with, and such reimbursement may be made payable to the community.

(5) Taxes allocated and paid to an agency under Section 11-19-29 may not be used to construct municipal buildings, courts, or other judicial buildings, convention centers, and fire stations, or any other similar buildings intended for communitywide use.

(6) This section does not apply to any land, building, facility, structure, or other improvement for which:

(a) bonds or other indebtedness have been issued or contracted;

(b) the purchase has been accomplished; or

(c) construction has commenced before April 1, 1983. 1983

CHAPTER 20

UTAH PUBLIC TRANSIT DISTRICT ACT

PARRISH LANE GATEWAY NEIGHBORHOOD DEVELOPMENT PLAN

FINAL PLAN

August 1, 1989

Redevelopment Agency of Centerville City
521 North 400 West
Centerville, Utah

TABLE OF CONTENTS

A. Description of the Redevelopment Project Area

The Parrish Lane Gateway Neighborhood Development Project Area, hereinafter referred to as the project area, is enclosed within the following boundaries:

> Beginning at a point which is South 89°40'15" East 831.06 feet along the Section line from the Southwest corner of Section 7, Township 2 North, Range 1 East, Salt Lake Base and Meridian; and running thence North 00°03'10" East 118.33 feet; thence West 561.38 feet, more or less, to the West line of a frontage road; and running thence along said West line of a frontage road for seven courses as follows: North 00°18'37" East 452.25 feet to a point on a 2544.27 foot radius curve to the right (chord bears North 00°40'08" East 277.65 feet); thence 277.78 feet along the arc of said curve to the point of tangency; thence North 03°47'48" East 448.72 feet to the point of curvature of a 863.70 foot radius curve to the right; thence 539.62 feet along the arc of said curve to the point of tangency; thence North 39°35'37" East 96.80 feet to a point of curvature of a 772.44 foot radius curve to the left; thence 536.74 feet along the arc of said curve to the point of tangency; thence North 00°33'18" East 51.94 feet to the South line of Parrish Lane; thence North 00°20'54" East 110.22 feet, more or less, to the North line of Parrish Lane; thence continuing along the West line of a frontage road for three course as follows: North 00°06'12" West 203.66 feet to the point of curvature of a 778.51 foot radius curve to the left; thence 442.50 feet along the arc of said curve to the point of tangency; thence North 32°40'12" West 112.25 feet; and running thence North 89°46'44" East 1209.41 feet, more or less, to the East line of 400 West Street; thence South 249.29 feet along said East line; thence East 880.24 feet; thence South 00°06'27" West 330.66 feet; thence North 89°57'24" West 345.00 feet; thence South 00°06'27" West 149.00 feet to the North line of Parrish Lane; thence South 89°57'24" East 132.83 feet along said North line; thence South 00°06' East 260 feet; thence North 89°55'36" East 290 feet; thence South 00°06' East 216 feet; thence South 89°55'36" West 25 feet; thence South 00°06'

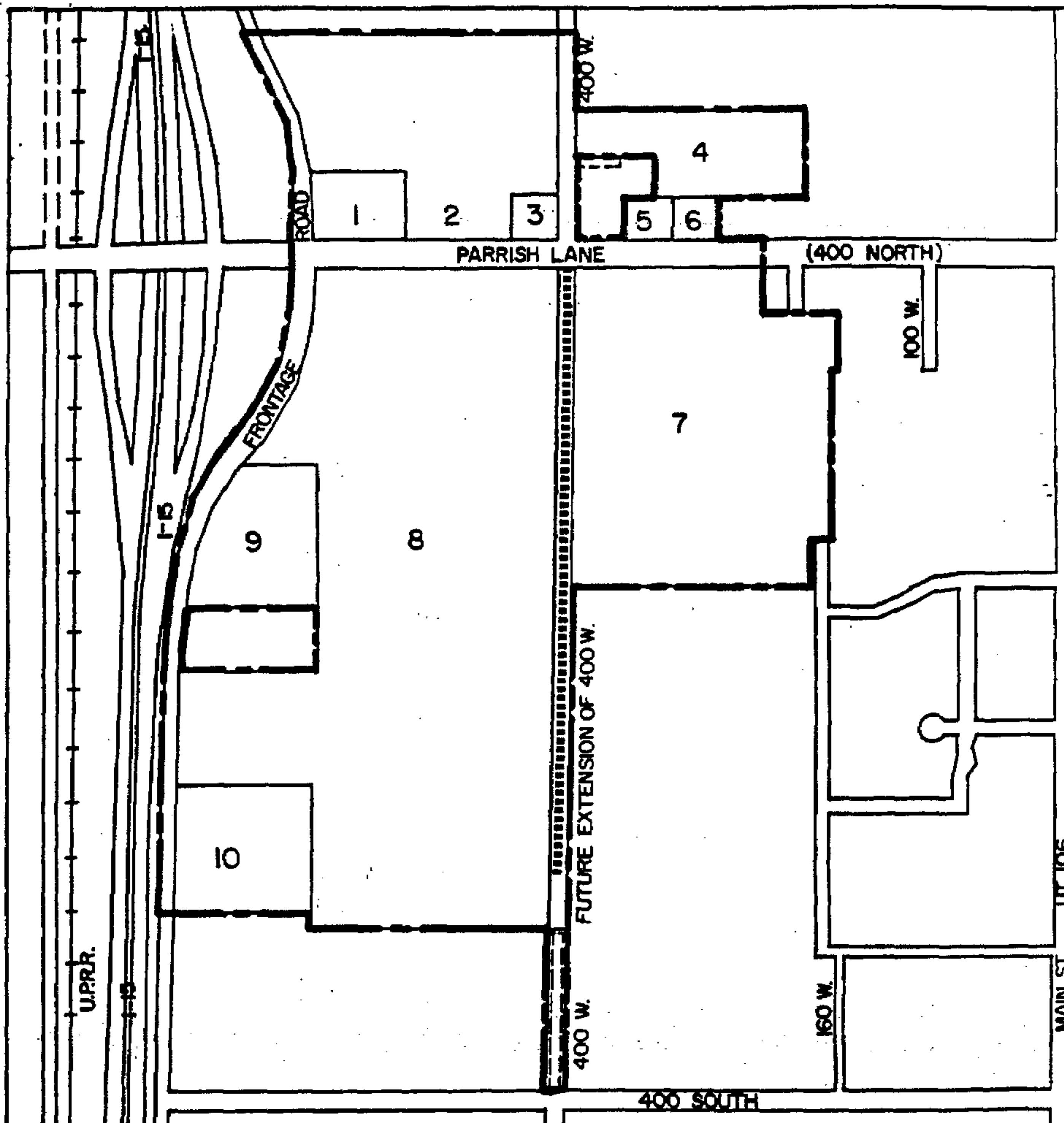
East 592.07 feet; thence West 58 feet; South 00°06' East 166.2 feet; thence South 89°55'36" West 869.35 feet, more or less, to the East line of 400 West Street; thence South 00°03'25" East 1846.63 feet, more or less, along said East line to the North line of Porter Lane (400 South Street); thence North 89°36'20" West 66.00 feet along said North line to the West line of 400 West Street; thence North 00°03'25" West 572.20 feet along said West line to the South line of said Section 7; thence South 89°40'15" West 878.90 feet along said Section line to the point of beginning.

EXCEPTING THEREFROM the following described property: Beginning at a point which is North 89°40'15" East 831.29 feet along the Section line and North 982.97 feet from the Southwest Corner of Section 7, Township 2 North, Range 1 East, Salt Lake Base and Meridian; and running thence North 89°40'24" West 466.52 feet to the East line of a frontage road; thence North 03°47'48" East 229.81 feet along said East line; thence East 451.13 feet; thence South 00°02'27" East 231.96 feet to the point of Beginning. Containing approximately 2.4 acres.

ALSO EXCEPTING THEREFROM the following described property: Beginning at the intersection of the East line of 400 West Street and the North line of Parrish Lane (400 North Street) and running thence North 299 feet along the East line of 400 West Street; thence South 89°57'24" East 300 feet; thence South 00°21'21" West 150 feet; thence North 89°57'24" West 104.45 feet; thence South 00°06' 27" West 149 feet to the North line of Parrish Lane (400 North Street); thence North 89°57'24" West 194.34 feet, more or less, along said North line to the point of beginning. Containing approximately 1.7 acres.

The remaining acreage consists of approximately 92.3 acres of privately owned property.

PARRISH LANE GATEWAY NEIGHBORHOOD DEVELOPMENT PROJECT AREA



LEGEND

Project Boundary

Parcel Boundary

3 Lot Designation

Canal

LOT DESIGNATIONS

CENTERVILLE CITY

SCALE: 1"=500'

NORTH

B. Definitions

As used in this project area redevelopment plan:

1. The term "Agency" shall mean the Redevelopment Agency of Centerville City.

2. The term "City" shall mean the City of Centerville.

3. The term "plan" or "redevelopment plan" shall mean a redevelopment plan developed by the Agency and adopted by ordinance of the governing body of the City to guide and control development undertakings in a specific redevelopment project area.

4. The term "redevelopment" shall mean the "planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, of all or part of a project area, and the provisions of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them," as defined in Section 11-19-2(8) Utah Code Annotated 1953, as amended.

5. The term "project area" or "area" shall mean "an area of a community which is a blighted area within a designated redevelopment survey area, the redevelopment of which is necessary to effectuate the public purposes. . . ," as defined in Section 11-19-2(10) Utah Code Annotated 1953, as amended.

6. The term "blighted area" shall mean "an area used or intended to be used for residential, commercial, industrial, or other purposes or any combination of such uses which is characterized by two or more of the following factors:

   (a) defective design and character of physical construction;

   (b) faulty interior arrangement and exterior spacing;

(c) high density of population and overcrowding;

(d) inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities;

(e) age, obsolescence, deterioration, dilapidation, mixed character, or shifting of uses;

(f) economic dislocation, deterioration or disuse, resulting from faulty planning;

(g) subdividing and sale of lots of irregular form and shape and inadequate size for proper usefulness and development;

(h) laying out of lots in disregard of the contours and other physical characteristics of the ground and surrounding conditions;

(i) existence of inadequate streets, open spaces, and utilities, and

(j) existence of lots or other areas which are subject to being submerged by water.

7. The term "tax increment" shall mean monies which the Agency expects to receive from the project area, pursuant to the provisions of Section 11-19-29(1)(d), Utah Code Annotated 1953, as amended, as modified by the provisions of Section 11-19-29(1)(f), Utah Code Annotated 1953, as amended, as a result of the increase in the assessed value of the real and personal property located within the project area.

C. Statement of Development Objectives

1. Since the opening of the I-15 interchange, Parrish Lane (400 North) has become a major gateway to Centerville City. Pressures for commercial development on Parrish Lane from Main Street west to I-15 have been strong, and significant development has occurred. This area is fast becoming the dominant commercial center of Centerville. Elements of strip commercial development should be avoided in this area, such as frequent curb cuts, lack of landscaping, large unattractive signs, buildings located close to the street, and generally unappealing

streetscapes. A landscaped, bermed buffer strip fronting the street should be required. All signs should be tightly controlled and arranged to avoid clutter. On the landscaped berm itself, only monument signs should be encouraged. Development of a few commercial centers is preferable to the subdividing of the Parrish Lane Frontage into numerous individual commercial pads, each with its own signs and curb cuts.

As a major gateway to the City, the appearance of the Parrish Lane commercial area should be an important consideration. City officials and commercial developers should create a "gateway" impression with a Centerville identity near the I-15 interchange. Such features as landscaping, framing views of the City and the Wasatch Mountains, and City indentification monuments should be considered in the development of the project area.

2. Removal of structurally substandard buildings to permit the return of the project area land to economic use and new construction.

3. Removal of impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by improved public utilities and new community facilities.

4. Rehabilitation of buildings to assure sound long-term economic activity in the core area of the City.

5. The elimination of environmental deficiencies, including: irregular lot subdivision, improper drainage, weeds and excessive vegetation, overcrowding of the land and underutilized land.

6. Achievement of an environment reflecting a high level of concern for architectural, landscape and urban design principles, developed through encouragement, guidance, appropriate controls, and professional assistance to owner participants and redevelopers.

7. Promote and market sites for development or redevelopment that would be complimentary to existing businesses and industries or would

enhance the economic base through diversification.

8. Provide utilities, streets, curbs, sidewalks, parking areas, landscape areas, plantings, and/or street furniture to give the area a new look and to attract business activity.

9. Provide for the strengthening of the tax base and economic health of the entire community and the State of Utah.

10. Provide improved public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards.

11. Insure compatible relationships among land uses and quality standards for their development, such that the area functions as a unified and viable center of social and economic activity for the City.

12. Provide improved pedestrian and vehicle circulation systems.

13. Coordinate and improve the transportation system.

14. Eliminate or alleviate flood potential within the area.

D. <u>General Land Use Plan</u>

1. Land Use Map

   A map entitled, "Proposed Land Use," included as an exhibit and made a part of this plan, indicates the type and location of land uses to be permitted in the redevelopment project area and the major circulation routes serving the area.

2. Description of Land Uses

   The permitted uses within the project area shall be those uses permitted by the officially adopted Zoning Ordinances of Centerville City, as said Ordinances may be amended from time to time.

3. Planning Criteria

   In order to provide developers a maximum flexibility in the development of acquired land and to encourage and obtain the highest in quality development and design, specific development controls for the use districts identified above are not set forth herein. Each development proposal may be considered as a planned unit development and subject to: appropriate elements of the City's Master Plan; the Planning and Zoning Code of the City; other applicable building codes and ordinances of the City; and a review and recommendation by the Centerville City Planning and Zoning Commission and approval by the Agency.

A review of redevelopment proposals may also be made by a design review committee established by the Agency. Development proposals shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of development proposed, including land coverage, setbacks, heights and bulk proposed, off-street parking and loading to be provided, and any other data determined necessary or requested.

E. Techniques to Achieve Plan Objectives

Activities contemplated in carrying out the plan in the area include the acquisition, clearance and rehabilitation of properties in the project area.

1. Rehabilitation

Properties determined to be in substandard condition by the Agency and not otherwise needed for redevelopment may be sufficiently rehabilitated to insure a remaining economic life of twenty years.

2. Acquisition and Clearance

Parcels of real property located in the project area may be acquired by purchase or condemnation.

3. Implementation of Redevelopment Projects.

Redevelopment projects may be undertaken and carried out as provided in Section 11-19-13, Utah Code Annotated 1953, as amended. Funding for redevelopment projects and activities shall be provided for in the annual budget of the Agency.

F. Property Acquisition, Disposition, Relocation and Development

The objectives of this redevelopment plan are to be accomplished by:

1. Acquisition of Real Property

The Agency may acquire, but is not required to acquire, real property located in the project area, by gift, devise, exchange, negotiated purchase, or any other lawful method. The Agency shall not, however, acquire real property within the project area by the use of the power of condemnation or eminent domain without the express written consent of the owner of the property. The Agency is authorized to acquire any interest in real property less than fee title such as leases, rights of way and easements. The Agency shall not acquire real property on which an existing building is to be continued on its present site and in its present form and use without the consent of the owner. Such real property, however, may be acquired with the consent of the owner if, in the Agency's judgment, (1) such building requires structural alteration, improvement, modernization, or rehabilitation, or (2) the site or lot in which the building is situated requires modification in size, shape, or use, or (3) it is necessary to impose upon such property any of the standards, restrictions and controls of the plan.

2. Acquisition of Personal Property

Generally personal property shall not be acquired. However, where necessary in the execution of this plan, the Agency is authorized to acquire personal property in the project area by any lawful means.

3. Cooperation with Public Bodies

Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this project. The Agency shall seek the aid and cooperation of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies which own or intend to acquire property in the project area. The Agency shall impose on all public bodies the planning and design controls contained in the plan to insure that present uses and any future development by public bodies will conform to the requirements of this plan.

4. Property Management

During such time that property, if any, in the project area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for redevelopment.

5. Property Disposition and Development

The Agency is authorized to demolish and clear buildings, structures, and other improvements from any real property in the project area as necessary to carry out the purposes of this plan. The Agency is authorized to install and construct or to cause to be installed and constructed the public improvements, public facilities, and public utilities, within the project area, not prohibited by law which are necessary to carry out this plan. The Agency is authorized to prepare or cause to be prepared as building sites any real property in the project area. The Agency is also authorized to rehabilitate or to cause to be rehabilitated any building or structure in the project area. The Agency is also authorized and directed to advise, encourage, and assist in the rehabilitation of property in the project area not owned by the Agency.

For the purposes of this plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by leases or sales by negotiation with or without public bidding. All real property acquired by the Agency in the project area shall be sold or leased to public or private persons or entities for development for the uses permitted in the plan. Real property may be conveyed by the Agency to the City or any other public body without charge. The Agency shall reserve such controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to insure that development is carried out pursuant to this plan. All purchasers or lessees of property shall be made obligated to use the property for the purposes designated in this plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this plan.

6. Development

To the maximum possible extent, the objectives of the plan are to be accomplished through Agency encouragement of, and assistance to, private enterprise in carrying out development activities control and review. To provide adequate safeguards to ensure that the provisions of this plan will be carried out and to prevent the recurrence of blight, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, shall be made subject to the provisions of this plan by leases, deeds, contracts, agreements, declarations of restrictions, provision of the City ordinance, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or portions thereof shall be recorded in the Office of the County Recorder. The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provision necessary to carry out this plan.

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or without the project area for itself or for any public body or public entity to the extent that such improvement would be of benefit to the project. During the period of development in the project area, the Agency shall insure that the provisions of this plan and of other documents formulated pursuant to this plan are being observed, and that development in the project area is proceeding in accordance with development documents and time schedules. Development plans, both public and private, shall be submitted to the Agency for approval and architectural review. All development must conform to this plan and all applicable federal, state, and local laws. For the purpose of this plan, the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, and otherwise dispose of personal property.

G. <u>Other Provisions To Meet State Or Local Law</u>

1. The project area described in the redevelopment plan shall not exceed 100 acres of privately-owned property at the time of its adoption unless the governing body of each local taxing agency which levies taxes upon property within the proposed redevelopment project area consents in writing to the redevelopment project area plan.

2. The assessed value of the project area described in the redevelopment plan, when added to the total assessed value as shown on the last equalized assessment roll certified by the county assessor for other redevelopment project areas of the community for which an allocation of ad valorem taxes is provided, shall not exceed, at the time of the adoption of the redevelopment plan an amount in excess of 15% of the total locally assessed value of the City, unless the governing body of each local taxing agency which levies taxes upon the property within the proposed redevelopment project area shall consent in writing.

3. The redevelopment plan contains the following limitations on the power of the Agency:

   a. A time limit of 7 years from the date of the approval of the plan after which the Agency shall not commence acquisition of property through eminent domain;

b. A time limit of 15 years from the date of the approval of the plan after which no bonds may be issued for redevelopment projects; and

c. A time limit of 32 years from the date of the approval of the plan after which no tax increment from the project area may be allocated to or used by the Agency.

4. The redevelopment plan provides for reasonable opportunities to participate in the redevelopment of property in the project area by the owners of property in the project area if the owners enter into a participation agreement with the Agency. The Agency may permit owners and tenants within the project area reasonable opportunities to participate in the redevelopment of the project area by executing a participation agreement with the Agency which provides:

   a. Owners retaining, maintaining, and if necessary rehabilitating, all or portions of their properties;

   b. Owners acquiring adjacent or other properties in the project area;

   c. Owners selling all or portions of their improvements to the Agency, retaining the land, and developing their properties;

   d. Owners selling all or portions of their properties to the Agency and purchasing other properties in the project area;

   e. Owners selling all or portions of their properties to the Agency and obtaining preferences to re-enter the project area;

   f. Tenants having opportunities to become owners of property in the project area, subject to the opportunities of owners of property in the project area; and

   g. Other methods as may be approved by the Agency.

   The Redevelopment Agency may extend reasonable preferential opportunities to owners and tenants in the project area ahead of persons and entities from outside the project area, to be owners and tenants in the project area during and after the completion of redevelopment.

5. The documents listed on Exhibit "A" entitled, "Supporting Documents," are incorporated herein, and made a part thereof.

H. Provisions For Amending Plan

The redevelopment plan may be modified any time by the Agency in the same manner as in the adoption of the original Plan.

I. Tax Increment Provisions

The redevelopment plan specifically incorporates the provisions of tax increment financing permitted by Section 11-19-29, Utah Code Annotated, 1953, as amended, which provides, in part, as follows:

"(1) Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in a redevelopment project each year by or for the benefit of the State of Utah, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to the effective date of such ordinance, shall be allocated to and when collected shall be paid into the funds of the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid (for the purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of such ordinance but to which such territory has been annexed or otherwise included after such effective date, the assessment roll of the county last equalized on the effective date of the ordinance shall be used in determining the assessed valuation of the taxable property in the project on the effective date); and . . .

(e) In a redevelopment project with a redevelopment plan adopted after April 1, 1983, that portion of the levied taxes each year in excess of the amount allocated to and when collected paid into the funds of the respective taxing agencies under subsection (1)(a) shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency according to the limits set forth in subsection (1)(f) to pay the principal of and interest on loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by such redevelopment agency after April 1, 1983, to finance or refinance, in whole or in part, such redevelopment project. Payment of tax revenues to the redevelopment agency shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to other taxing agencies are subject to collection. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in such project as shown by the last equalized assessment roll referred to in subsection (1)(a) of this section, all of the taxes levied and collected upon the taxable property in such redevelopment project shall be paid into the funds of the respective taxing agencies. When such loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in such redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid."

J. <u>Implementation of Redevelopment Project Program</u>

The redevelopment projects set forth in the project area redevelopment plan shall be implemented as approved by the Agency.

K. <u>General Design Objectives</u>

The general design of redevelopment projects may be developed by the Agency in cooperation with the Planning Commission. The particular elements of the design should be such that the overall redevelopment of the project area will:

1. Provide an attractive urban environment;

2. Blend harmoniously with the adjoining areas;

3. Provide for the optimum amount of open space in relation to new buildings;

4. Provide unobtrusive parking areas, appropriately screened and landscaped to blend harmoniously with the area;

5. Provide open spaces and pedestrian walks which are oriented to the directions of maximum use and designed to derive benefit from topographical conditions and views;

6. Provide for the maximum separation and protection of pedestrian access routes from vehicular traffic arteries;

7. The development of land within the project area will be undertaken in such a manner that available off-street parking will be maintained to the maximum degree. Special emphasis will be placed on phases of construction of all new development projects to support the parking program.

L. <u>Specific Design Objectives and Control</u>

1. Building Design Objectives

   a. All new buildings shall be of design and materials which will be in harmony with adjoining areas and other new development and shall be subject to design review and approval by the Agency.

   b. The design of buildings shall take optimum advantage of available views and topography and shall provide, where appropriate, separate levels of access.

   c. Buildings within the renewal area should be designed and placed to act as significant landmarks in the project area and the City.

2. Open Space Pedestrian Walks and Interior Drive Design Objectives

a. All open spaces, pedestrian walks and interior drives shall be designed as an integral part of an overall site design, properly related to existing and proposed buildings.

b. Attractively landscaped open spaces shall be provided, which will offer maximum usability to occupants of the building for which they are developed.

c. Landscaped, paved, and comfortably graded pedestrian walks should be provided along the lines of the most intense use, particularly from building entrances to streets, parking areas, and adjacent buildings on the same site.

d. The location and design of pedestrian walks should afford maximum safety and separation from vehicular traffic, and should recognize desirable views of new and existing development in the area and surrounding community.

e. Materials and design of paving, retaining walls, fences, curbs, benches, and other accouterments, shall be of good appearance, easily maintained, and indicative of their purpose.

3. Parking Design Objectives

a. Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of overall site design.

b. It is desirable that parking areas be level or on terraces as determined by the slope of the land.

4. Landscape Design Objectives

a. A coordinated landscaped design over the entire project area incorporating landscaped treatment for open space, roads, paths, and parking areas into a continuous and integrated design shall be a primary objective.

b. Primary landscape treatment shall consist of non-deciduous shrubs, ground cover, and street trees as appropriate to the character of the project area.

5. Project Improvement Design Objectives

   a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed or approved by the City and will be consistent with all design objectives.

   b. Street lighting and signs. Lighting standards and signs of pleasant appearance and modern illumination standards shall be provided as necessary.

   c. Rough grading. Existing structures, retaining walls, underbrush, pavement, curb and gutters will be removed and the entire site graded in conformance with the final project design determined by the Agency.

M. <u>Relocation Plan</u>

The Agency shall provide relocation assistance to persons who are displaced as a result of the acquisition of real property by the Agency or written request by the Agency to vacate real property for a program of purchase undertaken by the Agency, or as a direct result of redevelopment activities conducted by the Agency in accordance with the relocation program adopted by the Agency entitled "Rules Governing Relocation Assistance For the Redevelopment Agency of Centerville City."

EXHIBIT "A"

SUPPORTING DOCUMENTS

PARRISH LANE GATEWAY NEIGHBORHOOD DEVELOPMENT PLAN
August 1, 1989

The following documents are part of the Parrish Lane Gateway Neighborhood Development Plan dated August 1, 1989, and are incorporated by reference. The documents support the statements and findings incorporated in the Parrish Lane Gateway Neighborhood Development Plan.

1. Centerville City Survey Area No. 1 Blight Survey, dated July 14, 1989 prepared by Richard D. Chong and Associates.

2. Centerville City Master Plan dated August 1, 1989

3. 1988 Storm Drain Master Plan for Centerville City, (adoption still pending)

4. Culinary Water Master Plan for 1989 for Centerville City, (adoption still pending)

5. Master Plan for Parks and Recreational Development, Centerville, Utah, dated January 3, 1989

6. Planning and Zoning Ordinances of Centerville City, dated August 1, 1989 (Amendments)

7. Comprehensive Update, dated June 20, 1989

8. Subdivision Standards and Specifications for Centerville City, dated July 2, 1985

9. Rules Governing Relocation Assistance for the Redevelopment Agency of Centerville City, dated August 1, 1989 and Resolution Adopting the Rules, dated August 1, 1989

10. Redevelopment Agency of Centerville City Rules Governing Participation and Preferences by Owners, Operators of Businesses and Tenants in Centerville City Redevelopment Projects, dated August 1, 1989 and Ordinance and Resolution Adopting the Rules, dated August 1, 1989

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 7.

Short Title: Mayor's Report

Initiated By: Mayor Cutler

Scheduled Time: 8:50

SUBJECT

a. Direction to Planning Commission re: continued study of accessory dwelling unit topic
b. July 4th Celebration Committee update
c. New development update
d. UTOPIA update
e. Legislative update
f. Representation on I-15 Express Lane Project Committee
g. Tesoro pipeline letter

RECOMMENDATION

BACKGROUND

a. Last year the City Council and Planning Commission agreed that one of their priorities would be to undertake a study of the accessory dwelling unit (ADU) topic. The Community Development Director, Cory Snyder, subsequently prepared and presented an educational briefing on this topic--first to the Planning Commission and then to the City Council (and newly elected officials) last fall. Due to the pending turnover among the elected officials, the City Council did not give any direction regarding whether to continue to study or pursue an ADU ordinance. Staff are now asking for some direction on this topic. The Mayor, Community Development Director and City Manager recently discussed how to possibly proceed with further study if there is a desire to do so among the elected officials. Mayor Cutler may recommend the Planning Commission be charged with taking the lead on further study and public outreach to both educate the community and seek public input on the desirability of adopting an ADU ordinance in some form.

b. Mayor Cutler will report on his efforts to find a July 4th Celebration Chair and other volunteers. Wayne and Bev Lewis have accepted the Chair role and are now seeking others to fill the key roles on their committee.

c. Mayor will report on new businesses opening soon or anticipated in the near future.

d. Mayor will update the Council on UTOPIA topics and the study of a potential partnership with Macquarie.

e. Mayor (with assistance from City Manager) will report on Legislative issues/bills of concern to cities. The Mayor and City Manager have been attending the weekly meetings of the Utah League of Cities Legislative Policy Committee at the State Capitol during the current Legislative Session.

f. The City Manager was recently contacted by a UDOT consultant regarding the creation of a committee pertaining to the I-15 Express Lane Project. This committee would have a representative from each city in the project area and would participate in the ongoing review of the project's progress and evaluation of the contractor's performance. This has become a standard practice for UDOT's major highway projects. The committee would meet once a month over the 18-month project period, for approximately an hour each time. The committee's feedback would be one of the factors considered by UDOT when determining the incentive award paid to the contractor. Typically a city's rep is either an elected or appointed official, but it could be another resident.

g. The mayors and city managers of the south Davis County cities will meet next Monday, March 3, to discuss the possibility of sending a letter during the public comment period for the proposed Tesoro pipeline project. Mayor Cutler can update the Council Tuesday night on the outcome of the Monday meeting.

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 8.

Short Title: City Manager's Report

Initiated By: Steve Thacker, City Manager

Scheduled Time: 9:10

SUBJECT

a. Proposed FY2015 Budget Calendar
b. Legacy Parkway Trail connection

RECOMMENDATION

a. Give City Manager direction regarding the proposed calendar for preparing and adopting the FY 2015 Budget.

b. Receive report from City Manager about his meeting with UDOT Region One, in which potential alignments for a pathway connecting with the Legacy Parkway Trail from Parrish Lane were discussed.

BACKGROUND

a. The City Manager is still revising the proposed budget calendar and will review this with the Mayor on Tuesday morning prior to the Council meeting. Therefore, there is no attachment for this subject at this time.

b. Within the past week the City Council was updated on a trail connection via an email. The City Manager and Community Development Director will meet with UDOT Region One staff on Tuesday morning, March 4, about this matter and report further details at the Council meeting later that evening. Refer to the two attachments for this report. The first is an aerial photo overlaid with property lines and a red line showing one of the potential alignments. The second is the latest concept plan for the Fred Hale mixed use development proposed for the southwest corner of Parrish Lane and 1250 West. The options being evaluated include a connection through this development.

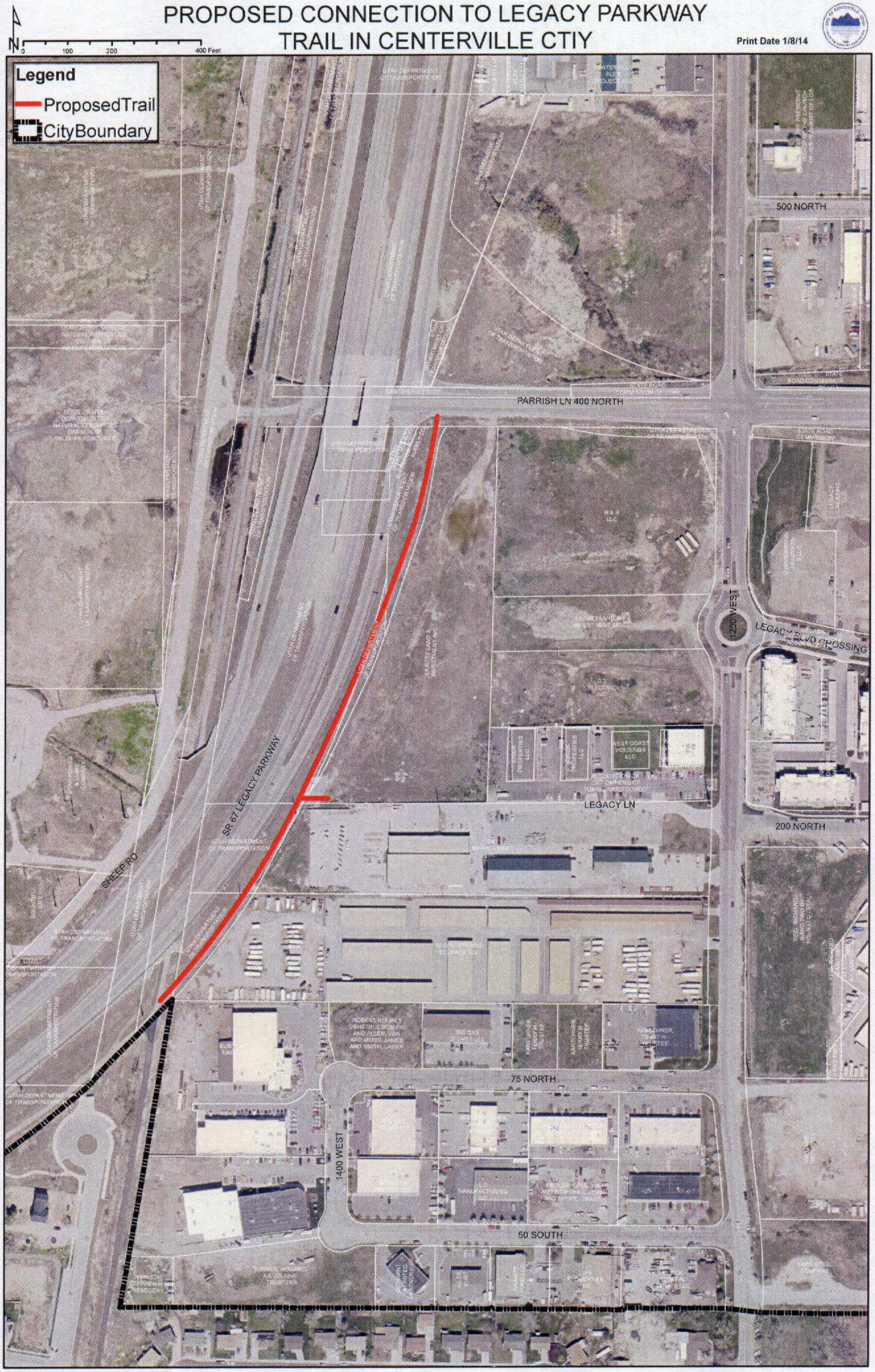
ATTACHMENTS:

Description

- Proposed connection to Legacy Parkway Trail
- Concept Plan for Mixed-Use Development

PROPOSED CONNECTION TO LEGACY PARKWAY TRAIL IN CENTERVILLE CTIY

Print Date 1/8/14

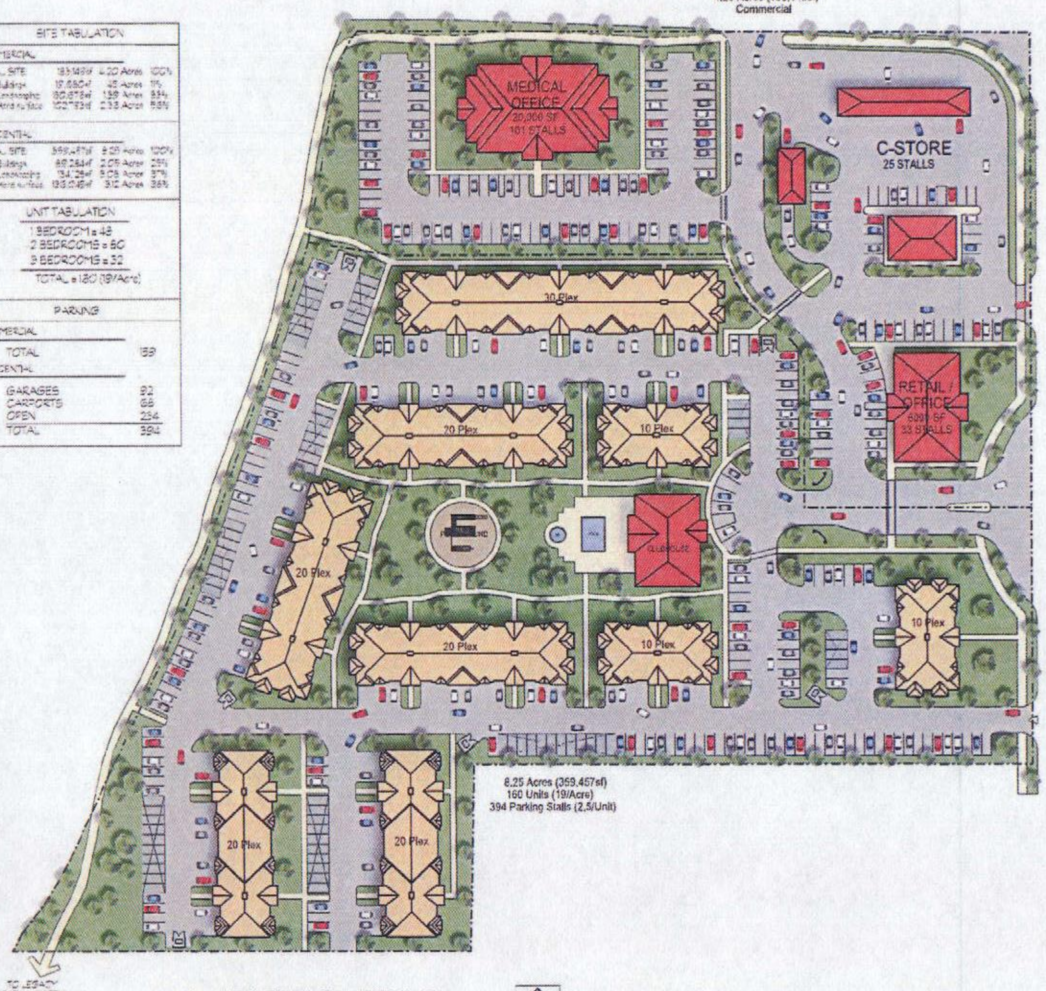


SITE TABULATION			
COMMERCIAL			
TOTAL SITE	183,149sf	4.20 Acres	100%
Buildings	19,680sf	.45 Acres	11%
Landscaping	60,678sf	1.39 Acres	33%
Hard surface	102,793sf	2.36 Acres	56%
RESIDENTIAL			
TOTAL SITE	359,457sf	8.25 Acres	100%
Buildings	89,264sf	2.05 Acres	25%
Landscaping	134,125sf	3.08 Acres	37%
Hard surface	136,048sf	3.12 Acres	38%

UNIT TABULATION

1 BEDROOM = 48
2 BEDROOMS = 80
3 BEDROOMS = 32
TOTAL = 160 (19/Acre)

PARKING	
COMMERCIAL	
TOTAL	159
RESIDENTIAL	
GARAGES	92
CARPORTS	68
OPEN	234
TOTAL	394



ARCHITECTURAL SITE PLAN
SCALE: 1" = 60'-0" (24X36)
SCALE: 1" = 120'-0" (11X17)
NORTH

COMMERCIAL ARCHITECTURAL CONCEPTS

RESIDENTIAL ARCHITECTURAL CONCEPTS

COVERED ENTRY
PRIVATE GARAGES
MATERIAL VARIETY
ARCHITECTURAL RELIEF

Architecture Belgique, Inc.

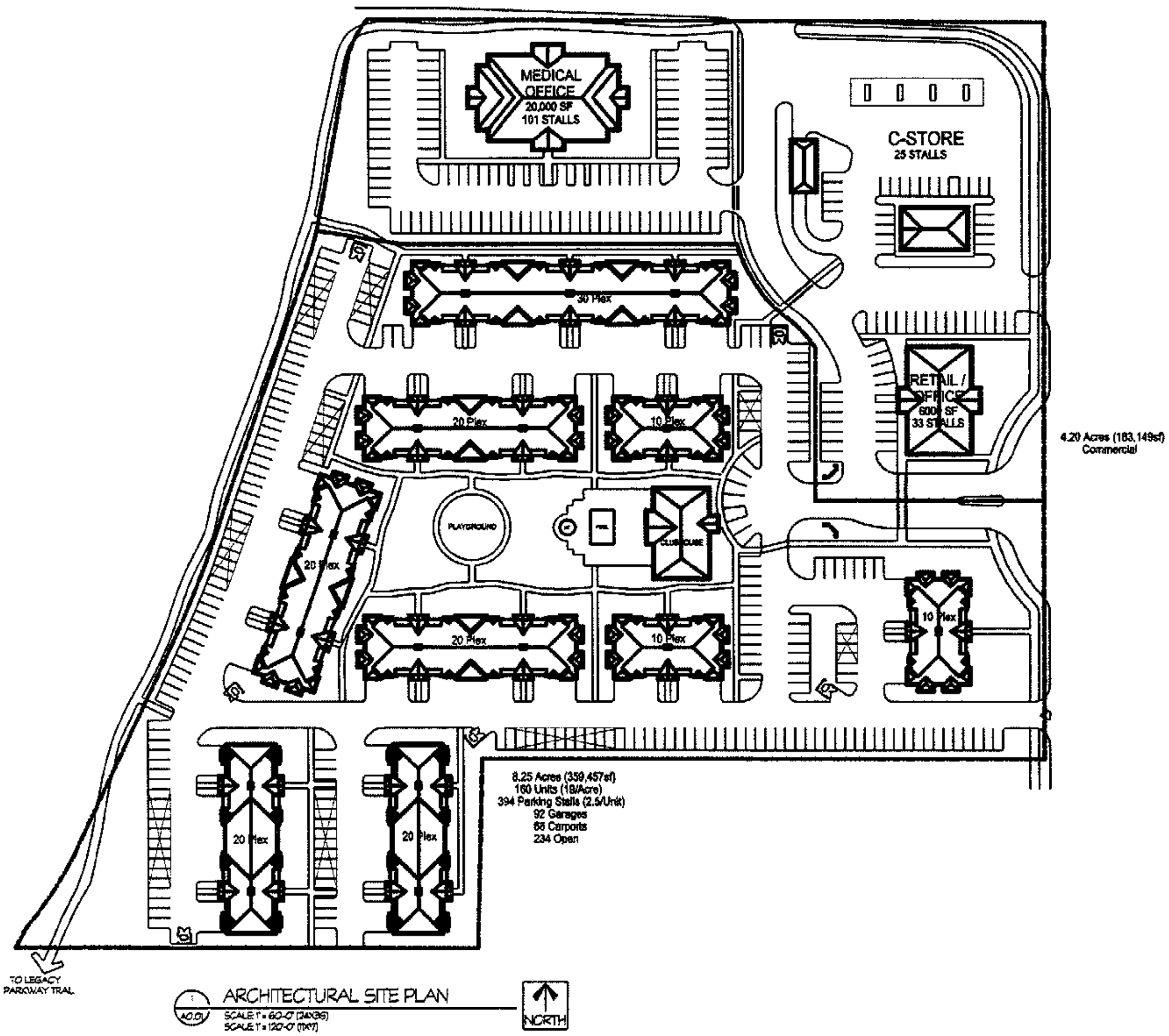
LEGACY TRAIL APARTMENTS
1250 W Parrish Ln.
Centerville, Utah

Sheet Title
Architectural Site Plan

Date
JANUARY 2, 2014

Sheet Number
A-0.01

RECEIVED JAN 02 2014



ARCHITECTURAL SITE PLAN
SCALE: 1" = 60'-0" (24X36)
SCALE: 1" = 120'-0" (11X17)

SITE TABULATION

COMMERCIAL			
TOTAL SITE:	183,149sf	4.20 Acres	100%
Buildings:	19,680sf	.45 Acres	11%
Landscaping:	60,676sf	1.39 Acres	33%
Hard surface:	102,793sf	2.36 Acres	56%

RESIDENTIAL			
TOTAL SITE:	359,457sf	8.25 Acres	100%
Buildings:	89,284sf	2.05 Acres	25%
Landscaping:	134,128sf	3.08 Acres	37%
Hard surface:	136,045sf	3.12 Acres	38%

UNIT TABULATION

1 BEDROOM = 48
2 BEDROOMS = 80
3 BEDROOMS = 32
TOTAL = 160 (19/Acre)

PARKING

COMMERCIAL	
TOTAL	159
RESIDENTIAL	
GARAGES	92
CARPORTS	68
OPEN	234
TOTAL	394

Architecture Belgique, Inc.
commercial • residential

Centerville Apartments
1250 W Parrish Ln.
Centerville, Utah

Sheet Title
Architectural Site Plan

Date
JANUARY 2, 2014

Sheet Number
A-0.01

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 9.

Short Title: Miscellaneous Business

Initiated By:

Scheduled Time: 9:15

SUBJECT

a. Approve purchase of two police vehicles from Willey Ford in the amounts of $29,023 and $30,050
b. Discuss idea of adding youth members to City committees
c. Consider request to revise January 7, 2014 Council meeting minutes

RECOMMENDATION

a. Approve the purchase of two vehicles from Willey Ford--a 2014 Police Interceptor Utility vehicle in the amount of $29,023, and Ford Explorer in the amount of $30,050.

b. Discuss this idea and give staff pertinent direction.

c. Approve the addition of the attached transcript of George McEwan's comments to the January 7, 2014 minutes.

BACKGROUND

a. The FY 2014 Police Budget includes funding for 3 replacement vehicles (see attached budget excerpt). The Police Department has requested approval of the purchase of the last two vehicles (see attached memo). The 3 purchases are well with in the approved budget of $114,500 (total purchase price) but the vehicles also need to be re-equipped with lighting etc. The Police Department solicited bids from Willey Ford, which are slightly less than the State Bid prices from Ken Garff of American Fork.

b. Councilwoman Tami Fillmore asked in a prior meeting if the Council would be willing to discuss this idea in a future meeting. She would like to see youth members added to the City committees. Since that meeting the City Manager has discussed with the Mayor and Councilwoman Fillmore a way to accomplish the intent of this proposal--i.e. use Youth City Council (YCC) members as liaisons to these committees. This would provide opportunity for the YCC to more completely fulfill the purposes of their charter, which refers not only to community service but also states as a purpose the following: "Informing the city government of the needs and interests of the youth." (see attachment--"Centerville Youth City Council Charter")

Staff recommend this idea be implemented as an experiment before making any changes to the City Code pertaining to the various committees. This can be done on an experimental basis by selecting YCC members (one or two per committee) to be liaisons to the Trails Committee, Parks & Recreation Committee, Landmarks Commission and Museum Board. Although they would not be voting members (without amending the City Code), these youth could participate in the discussions, take matters back to the YCC for discussion with a larger group of youth, and relay feedback from the YCC to the respective committees.

The City Manager has discussed this idea with Lisa Summers, the YCC Advisor. **She is willing to try this as an experiment, with the understanding that the YCC should not be viewed by the committees as a source of volunteers for each committee's projects or purposes.** The YCC would be free to consider whether to incorporate any of the committees' projects or requests for help into the YCC community service program plan, but at their own complete discretion.

ATTACHMENTS:

Description

- C.P.D Memo re Capital Equipment Order
- FY 2014 Police Budget
- Centerville Youth City Council Charter
- Request for revision to minutes
- Transscript of McEwan's comments

#9a

C.P.D. Memo

To: Blaine Lutz

From: Paul Child

Date: February 20, 2014

Re: Capital Equipment Order

The Police Department is requesting permission to order the remaining two vehicles of the three approved in the Police Department budget year 2013-14. One of these vehicles will be used for regular patrol duties as we rotate out an older patrol unit. The second requested vehicle will be issued to the Chief of Police. The Chief's current issued 2007 Explorer will be made available to the city for general use as per your request.

In regards to the patrol unit we are requesting, the Ford Police Utility and Interceptor packages have been purpose built specifically for the rigors of police duty. These vehicles are equipped with all-wheel drive, V6 engine with 6-speed transmission, police-tuned suspension, high-performance brakes, high-volume cooling system, 220-amp alternator, heavy-duty battery, 18" 5-spoke steel wheels and high performance tires. These vehicles come with many officer safety features including a Kevlar bullet resistant panel in the door, high speed rear impact rating, and are friendly to the officer's needs and equipment installation. We have found that the new Interceptors have increased gas mileage by 30% in comparison to the Crown Victoria. We believe that the new purpose built vehicles offered by Ford are the best platform for our use. We feel it is important to have consistency in the type of vehicle we provide the patrol officers so that as they change from one vehicle to another it has the same controls and drivability features. We have found that the Interceptor in the Utility package not only offers excellent pursuit and emergency vehicle operations handling, but it is also more officer friendly being easier to get into and out of, provides a little higher ground clearance, stores emergency equipment better and has better visibility for the officer because they sit up a little higher.

We have received a bid from Willey Ford and Ken Garff (State Bid Price) for a 2014 Interceptor Utility Vehicle

Willey Ford Bid:

Reflects government and dealership discount.. **29,023.00**

Ken Garff (American Fork) Bid:

Reflects Government discount and Dealership discount (State bid)...................... $29,118.81

Although Ken Garff has been awarded the Utah State Bid for all of their vehicle purchases Willey Ford is offering us a better price saving us $95.81.

In regards to the vehicle requested for the Chief of Police, this vehicle will be a standard civilian model but will be fitted with emergency lights and a radio for use by the Chief of Police. The cost to up-fit this vehicle will be considerably less than for a patrol vehicle. The Police Interceptor vehicle is priced slightly less because Ford gives deeper discounts for the Police Interceptor model than for a civilian model. The Interceptor model is packaged differently to fill specific needs of a patrol officer which is not as compatible to the needs of the Chief.

We have received a bid from Willey Ford for a civilian model 2014 Ford Explorer. From a recent bid we have found Willey Ford to be highly competitive with the State Bid price and even slightly lower. We have also found in previous dealings that Willey Ford will give a higher value for trade-ins and we will likely be trading in an older Taurus as part of this purchase.

Willey Ford Bid for a 2014 Explorer (see attached packaging details):

Reflects government and dealership discount.. **30,050.00**

The total for both requested vehicles is (less any credit for trade in)..................... 59,073.00

Please feel free to contact me if there are any questions regarding this request.

POLICE DEPARTMENT
FY 13-14 BUDGET

ACCT NO.	10-4210	2010/11 ACTUAL	2011/12 ACTUAL	2012/13 6 MONTH ACTUAL	2012/13 12 MONTH ESTIMATE	2012/13 BUDGET	2013/14 DEPARTMENT REQUEST	2013/14 TENTATIVE	2013/14 ADOPTED
	EXPENDITURES								
	MANAGEMENT CONTROL ACCOUNTS - PERSONNEL								
110	SALARY & WAGES	991,374	980,192	481,246	989,400	1,007,258	1,007,140	1,007,140	1,007,140
111	OVERTIME PAY	3,229	17,250	10,059	16,000	16,000	16,000	16,000	16,000
112	OVERTIME PAY - WARRANT SERVICE	8,420	8,398	4,005	8,500	10,000	10,000	10,000	10,000
115	OVERTIME PAY - BALIFF	7,933	7,432	4,045	8,600	8,900	11,000	11,000	11,000
122	TEMPORARY & PART-TIME OFFICE	17,619	17,498	8,969	17,100	15,471	15,500	15,500	15,500
130	FRINGE BENEFITS - FICA	77,635	75,481	38,878	77,431	78,246	81,060	81,060	81,060
131	FRINGE BENEFITS - RETIREMENT	235,591	239,089	140,304	280,379	290,831	302,750	302,750	302,750
132	FRINGE BENEFITS - MEDICAL INS.	240,455	259,915	129,092	260,093	269,800	280,250	275,000	275,000
133	FRINGE BENEFITS - UNEMPLOYMENT	7,119	0	0	0	0	0	0	0
134	FRINGE BENEFITS - DISAB.INSUR.	6,610	6,643	3,100	6,200	6,045	6,265	6,265	6,265
135	FRINGE BENEFITS - WORKERS COMP	29,492	23,171	10,162	26,000	22,743	26,254	26,254	26,254
136	FRINGE BENEFITS - MPP	0	0	0	0	0	0	0	0
142	OTHER BENEFITS UNIFORM ALLO.	3,012	3,012	1,443	3,000	3,000	3,000	3,000	3,000
	New officer wages & benefits (1/2 year)						37,000		
	SUBTOTAL	1,628,489	1,638,081	831,303	1,692,703	1,728,294	1,796,219	1,753,969	1,753,969
	MANAGEMENT CONTROL ACCOUNTS - OPERATING								
200	UNIFORM PURCHASE	6,711	6,217	2,033	6,000	6,500	6,500	6,500	6,500
201	UNIFORM CLEANING	6,028	5,314	1,285	6,500	7,000	6,000	6,000	6,000
210	BOOKS, SUBSCRIPTIONS	1,803	1,868	1,844	1,800	2,000	2,500	2,000	2,000
211	MEMBERSHIPS	1,297	1,224	375	1,300	1,600	1,600	1,600	1,600
220	PUBLIC NOTICES	120	0	87	300	1,000	1,000	500	500
230	TRAVEL REIMBURSEMENT	21	0	72	75	0	0	0	0
240	OFFICE SUPPLIES	2,776	3,544	1,046	3,200	4,000	4,000	4,000	4,000
241	OFFICE SUPPLIES - PRINTING	3,102	2,177	1,518	2,300	2,600	3,000	3,000	3,000
242	POSTAGE	1,083	1,170	541	1,200	1,600	1,600	1,300	1,300
250	VEHICLE MAINT & SUPPLIES	11,431	12,505	3,293	12,000	13,500	11,500	11,500	11,500
251	BICYCLE REPAIR	395	346	566	900	1,000	1,000	1,000	1,000
252	VEHICLE - BODY REPAIR	66	1,372	1,412	2,100	2,500	2,500	2,500	2,500
253	VEHICLE - TIRES	5,618	3,686	2,337	4,000	4,000	5,000	5,000	5,000
254	VEHICLE - PREVENTATIVE	7,301	6,159	2,533	7,000	7,500	7,500	7,500	7,500
255	EQUIPMENT MAINTENANCE - RADAR	1,414	1,415	1,399	1,500	1,500	1,500	1,500	1,500
260	EQUIP MAINT & SUPPLIES - MISC.	9,356	10,094	6,179	12,000	11,000	11,000	11,000	11,000
261	EQUIPMENT MAINTENANCE - RADIO	2,703	1,123	795	3,000	3,500	3,000	3,000	3,000
262	EQUIPMENT MAINTENANCE - COPIER	525	600	525	600	1,000	1,000	1,000	1,000
263	EQUIPMENT MAINTENANCE - OFFICE	0	373	0	200	600	600	600	600
264	EQUIPMENT MAINT.- COMPUTER	4,172	4,299	2,362	5,000	5,000	5,000	5,000	5,000
265	EQUIPMENT MAINT - FIRE EXT.	0	0	0	200	300	0	0	0
267	EQUIP. MAINT. - WEAPONS	400	0	315	150	160	400	400	400
268	UCAN MONTHLY FEES	10,485	11,183	3,813	11,000	11,439	11,450	11,450	11,450
270	TELEPHONE AIR-TIME	9,599	10,582	5,509	10,800	10,600	10,600	10,600	10,600
282	AIR TIME - LAPTOPS	8,828	8,003	5,120	8,850	7,800	8,200	8,200	8,200
290	GASOLINE	60,506	66,911	27,763	63,000	65,000	65,000	65,000	65,000
310	PROFESSIONAL SERVICES	3,320	1,627	1,047	3,000	2,500	2,500	2,500	2,500
320	SOFTWARE MAINTENANCE (FATPOT)	16,400	16,400	16,400	16,400	16,400	16,400	16,400	16,400
330	EDUCATION & TRAINING	7,802	11,483	6,287	12,000	12,550	12,550	12,550	12,550
340	LEXIPOL P&P	2,450	2,450	2,450	2,450	2,500	2,500	2,500	2,500
480	SPEC. DEPT. SUPPLIES - MISC.	3,908	4,698	2,288	4,200	4,500	4,500	4,500	4,500
481	SUPPLIES - PHOTOGRAPHY	781	2,022	670	1,500	2,000	1,500	1,500	1,500
482	SUPPLIES - AMMUNITION	4,377	4,365	0	4,400	1,500	4,600	4,600	4,600
483	SUPPLIES - INVESTIGATION	1,996	2,462	707	2,800	3,000	2,500	2,500	2,500
484	SUPPLIES - MEDICAL	161	357	261	279	400	400	400	400
512	INSURANCE - AUTO LIABILITY	4,505	5,423	5,423	5,423	4,500	5,500	5,500	5,500
620	MISCELLANEOUS SERVICE	557	331	54	600	1,000	600	600	600

621 METRO TASK FORCE CONTRIBUTION	7,800	7,800	11,501	11,501	11,501	12,000	12,000	12,000
623 PHYSICAL FITNESS STANDARDS	1,136	183	24	1,500	1,000	1,000	1,000	1,000
625 DISPATCH SERVICES	39,502	39,736	20,941	39,761	42,122	43,380	43,380	43,380
SUBTOTAL	250,435	259,502	140,775	270,789	278,172	281,380	280,080	280,080
MANAGEMENT CONTROL ACCOUNTS - CAPITAL								
740 CAPITAL EQUIPMENT	99,364	134,896	67,653	139,750	139,750	176,900	143,900	143,900
SUBTOTAL	99,364	134,896	67,653	139,750	139,750	176,900	143,900	143,900
EQUIPMENT								
ITEM 1	Vehicle replacement (4 requested 3 approved)					147,500	114,500	114,500
ITEM 2	Laptop computers with printers,replacements (5)					12,000	12,000	12,000
ITEM 3	Motorola portable radios, replacements (4)					10,400	10,400	10,400
ITEM 4	Glock 40 cal handguns replacements (20)					7,000	7,000	7,000
ITEM 5								
SUBTOTAL	NA	NA	NA	NA	NA	176,900	143,900	143,900
TOTAL POLICE	1,978,288	2,032,479	1,039,731	2,103,242	2,146,216	2,254,499	2,177,949	2,177,949

CENTERVILLE YOUTH CITY

COUNCIL CHARTER

PURPOSES

1. To provide an opportunity for the youth of this community to acquire a greater knowledge of and appreciation for the American political system through active participation in that system.

2. To help the Centerville City Mayor and City Council solve the problems and accomplish the goals of this community by working directly with the representatives of the youth.

3. To serve the youth of this community by:

   a. Informing the city government of the needs and interests of the youth.

   b. Planning and implementing social, educational, charitable, cultural, and recreational activities for the youth.

   c. Working with the Mayor and City Council, school and state youth council organizations to provide those opportunities for the youth that the City of Centerville would like to continue to encourage.

YOUTH CITY COUNCIL

Shall consist of a Youth Mayor and up to twenty Youth City Council members appointed by the Mayor and confirmed by the City Council. The number of youth council members may be changed at anytime by resolution of the Centerville City Council.

TERM OF SERVICE

Shall consist of a two-year term. Vacancies shall be filled in accordance with the appointment procedures set forth herein for the remainder of the term.

RESPONSIBILITIES AND AUTHORITY OF THE YOUTH CITY COUNCIL

1. To meet at least once a month, with a minimum of 12 meetings a year, to conduct business.

2. To recommend to the Centerville City Council for its approval amendments to the Youth City Council Charter.

3. To select one of its members as Mayor Pro-tern to conduct business when the Youth Council Mayor is absent.

4. To pass motions and resolutions as necessary by a majority vote. A majority vote is defined as one vote more than one-half of a quorum present at any meeting.

5. To carry out the purposes-of the Centerville City Youth Council as outlined in the charter.

6. To plan civic improvement projects and other activities for the youth of this community, coordinating all such activities with the Mayor and Centerville City Council during an annual work session.

7. To maintain minutes of all meetings held and to give one formal annual report to the City Council.

LIMITATIONS-OF YOUTH COUNCIL AUTHORITY

1. The Youth City Council must have a quorum present in order to conduct business, which quorum shall consist of a majority of its members, excluding the Youth Mayor.

2. The charter and all amendments to the charter are to be approved by the Centerville City Council.

3. All activities are to be coordinated with the Advisors. They will receive approval from the Mayor, City Manager or City Council as needed.

RESPONSIBILITIES AND AUTHORITY OF THE YOUTH COUNCIL MAYOR

1. To plan with the advisor and conduct all Youth Council meetings.

2. To carry out the decisions of the Youth Council.

3. To meet quarterly with the Centerville City Mayor and City Manager to provide for proper planning and coordination between the Centerville City Council and the Centerville City Youth Council.

4. To propose to the Youth Council projects and plans designed to assist in the fulfillment of the purposes of the Centerville City Youth Council.

5. To vote only in the case of a tie.

6. To assign each Youth City Council member an area of responsibility.

7. The Mayor shall serve for a term of one year and may not be re-elected for a second term.

RESPONSIBILITIES AND AUTHORITY OF YOUTH CITY COUNCIL MEMBERS

1. To attend Youth Council meetings.

2. To carry out assignments of the Youth Council.

3. To recommend to the Youth Council ways in which the youth of the community could assist to make the city a better place to live.

4. Members will plan and carry out youth service projects for the community.

5. The Council members shall serve a term of two years or until graduation from high school.

YOUTH RECORDER

The Youth Recorder must be a Youth Council member and shall be appointed by the Youth Council Mayor with the approval of the Youth City Council. The responsibilities and authority of the Youth Recorder shall include the following:

1. To attend all Youth Council meetings and take and maintain minutes of such meetings.

2. To carry out assignments of the Youth Council.

3. To provide an annual report to the Mayor and City Council of all activities, projects and service given during the year.

CITY TREASURER

1. Will monitor the funds of the Youth City Council.

2. Will give a financial report to the Youth City Council on a quarterly basis.

3. Will review financial records of the Youth City Council on or about May 1 of each year. A report of this review shall be provided to the Mayor and City Manager.

4. Will ensure that expenditures of the funds of the Youth Council are spent only for educational, charitable, cultural, and recreational purposes in order to enhance the community.

5. With input from the Youth Council advisor and Youth Council the City Treasurer will submit a budget to be approved by the City Council.

6. Funds shall be received by the City Treasurer.

7. The Youth City Council monies shall be deposited, as received, in a local banking institution, under a Youth Council checking account and records shall be maintained of such deposits with receipt backup.

8. Authorized signatures on checking account shall be City Treasurer and Youth Advisors.

ROLE OF YOUTH CITY COUNCIL ADVISORS

The Youth City Council shall have up to two advisors. Advisors will attend Youth City Council meetings and generally become involved, in the advisory role, in all Youth Council projects. In addition, advisors will specifically provide leadership in the area of activities and the Mayor will provide leadership in the area of politics and government. Advisors shall be appointed by the Mayor and confirmed by the City Council. Assistant Advisors may be appointed by the Mayor and- confirmed by the City Council as needed.

QUALIFICATIONS TO SERVE ON THE CENTERVILLE YOUTH CITY COUNCIL

1. Must be a resident of Centerville City.

2. Must be at least in the ninth grade and not yet completed the senior year or graduated from high school.

3. Have a clear police record except for minor traffic violations.

4. Must be available and willing to donate up to 10 hours per month for Youth Council responsibilities.

REQUIREMENTS TO REMAIN ON THE CENTERVILLE YOUTH CITY COUNCIL

1. Remain a resident of Centerville City.

2. Attend at least 80% of all Youth Council meetings. To have two unexcused (excused by reporting to Youth Mayor or advisor) absences will result in forfeiting their term and being replaced by an alternate to serve the remaining term of office.

3. Fulfill the responsibilities of the office held.

4. Set proper example for the youth of the community.

5. A member of the Youth City Council can be removed from office upon violation of one or more of the above criteria. Removal of a member is to be done by the Youth Mayor and the Youth City Council Advisors.

BECOMING A YOUTH COUNCIL CANDIDATE OR FILLING VACANCIES

Each youth seeking to become a member of the Centerville Youth City Council will be required to fill out an application for the position he is seeking. The application must have the signatures of at least ten Centerville City youths and the signature of one of the applicant's parents. All candidates must meet the requirements to serve on the Centerville Youth Council, as stipulated above. Applicants will be interviewed and chosen by Youth Council Advisors and a panel consisting of Youth City Mayor and Youth Council.

SWEARING IN

Swearing in of the newly elected officers shall take place during a City Council meeting following their appointment and confirmation.

Originally adopted by City Council September 18, 1990

Revised May 7, 1991, May 4, 1993 and June 18, 1996

Revised March 21, 2000

Revised February 17, 2009

#9c

Steve Thacker

From: Lawrence Wright <lwright.dr@gmail.com>
Sent: Wednesday, February 19, 2014 3:47 PM
To: Steve Thacker
Subject: FW: January 7, 2014 Minutes - Yeah I'm annoyed

Steve

How do you plan to address this concern? The minutes do water down Mr. McEwan's comments.

Larry

City Council Members,

I was just reviewing the January 7, 2014 minutes and the city has redacted key facts from my statement thereby removing the alleged culpability of Paul Cutler in this past election.

Here is what is written in the minutes:

"George McEwan – Mr. McEwan expressed concern that the nonprofit status of CenterPoint Legacy Theatre may be at risk due to an alleged event that took place in the course of the recent election campaigns. Mr. McEwan encouraged the City Council to open an investigation to find out who was responsible and why the situation took place so the City is ready to respond if an IRS investigation is instigated. He stated that policies and procedures should be put in place to ensure that City assets are not used inappropriately and placed at risk."

I want the record corrected to indicate that I stated Paul Cutler's campaign created the situation which impacts Centerpoint Legacy Theater. Furthermore, the minutes need to reference that I said the financial disclosures of Mr. Cutler provide the evidentiary basis for my assertions and request to the council for action. My statements to the council were not opinions, they were cold hard facts.

I refuse to accept this selective summation which provides a soft focus on the harsh realities of what really happened in this tainted election cycle. I formally request that the council amend the minutes and restore the facts of the 'event' to the record as stated here in this email or from the recordings taken at the city council meeting.

If the council is unwilling or unable to amend the minutes to reflect what I actually said, please let me know. That way I can request a longer block of time to address the council and recount a complete narrative of Mr. Cutler's campaign disclosures coupled with citations from Federal and State law as appropriate.

With Due Respect,

George McEwan

#9c

George McEwan's verbatim comments at January 7, 2014 City Council meeting:

My name is George McEwan. I would like to address the Council tonight. Actually quoting, according to Mayor Russell, he did say that emotions run high with elections, is quite correct, and as a community that's been left with a lot of questions that as we move into this new Council and into this new administration, and unfortunately some of those questions are simply not answered, as we know that there is an on-going investigation by the Lt. Governor's office, which for you Mayor Cutler and for you Council member Fillmore, may exonerate you, may throw you out of office and criminally charge you. I have no idea what has happened as a result of the investigation. One thing in the community that we do know is very clear, is that there was a violation of CenterPoint Theater's nonprofit status during the election and that was effectively done by Paul Cutler's campaign in concert with individuals yet unknown with CenterPoint Theater. That is very troublesome because that places the nonprofit status of the Theater at risk. That is a City asset it is a County asset and it should never be used for such a purpose and unfortunately we don't know how that happened. What I am here to do, is I am here to petition the City Council to open your own investigation. Find out who, what, why and where this situation took place. Maybe it's complete ignorance on behalf of the people who thought they were just being salutary, just helping out, maybe it was deliberate. I have no idea, but what we do know is that the Theater is now at risk and its nonprofit status is going to be challenged by the IRS at some point in the near future because that's like letter law, we know that's the case. So in order to make sure that when the IRS comes knocking on our door at the City, that we don't have the theater sanctioned, that it doesn't receive funds and perhaps lose its nonprofit status, I urge you to do an investigation, create policies and procedures that work with the theater, so that you have an answer when they come to ask us why we violated the nonprofit status, specifically, why the Paul Cutler campaign violated the nonprofit status of the theater so that we have an answer for them, because right now we don't, and I do not want to see the theater go into a situation where it has to defend itself over something that probably was an innocent mistake, and as the Whitaker Museum has to renew its nonprofit status, we need to make sure that those policies and procedures are in place for the Museum as well, so that assets that belong to the community that are paid for with tax payer funds are not misutilized for purposes of campaigns.

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

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: 9:25

SUBJECT

RECOMMENDATION

The City Manager is not aware of a need for a closed meeting, but the agenda allows for that possibility.

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No. 11.

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

Initiated By:

Scheduled Time: 9:25

SUBJECT

RECOMMENDATION

Mayor Cutler may recommend several appointments or reappointments to City committees.

BACKGROUND

CENTERVILLE CITY COUNCIL

Staff Backup Report
3/4/2014

Item No.

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

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- Newspaper article - Centerville seeks to revitalize west side
- Newspaper article - Do you like the idea of a new crude oil pipeline through Bountiful?
- Newspaper article - Clipper wants to get you engaged in the community
- Newspaper article - Ready Set Vote
- UTOPIA bill - Standard 2-22
- Utopia-Brigham - Standard 2-24
- SB190 - UTOPIA/Macquarie
- Newspaper article - Voter information bill passes House
- Newspaper article - Farmington may sue to block West Davis Corridor freeway

2/20/14

Centerville seeks to revitalize west side

BY JENNIFFER WARDELL
Associate Editor

CENTERVILLE — The city's west side may get a makeover.

Encouraged by the growth of the Legacy Crossing development and a new mixed-use project planned just west of it, city officials are taking the first steps to change the general plan for Centerville's west side. Focusing their efforts between 1250 West and the railroad tracks, Centerville officials are beginning a months-long research process that will likely open up the previously industrial area to more residential and commercial opportunities.

"We thought there was a lot more potential for the area south of those two projects," said Centerville City Manager Steve Thacker, referring to Legacy Crossing and the newly planned development next to it.

He said that Parrish Lane would likely serve as the northern boundary for the area, which would stretch all the way down to the West Bountiful border. Since the west side of 1250 West is already full of relatively new commercial and light industrial businesses, the city's developmental hopes will focus most on the east side of the street.

"Right now, the area is mostly storage units and warehouses," he said. "Changing the general plan would create some maneuverability for possibly revitalizing the area."

The process is still in the earliest stages, and isn't expected to be completed for 8-9 months. Even then, a change in the general plan only affects elements such as zoning and building requirements, which means that the results may not be seen in the neighborhood itself for several years.

The city's next step is to put together a steering committee on the project, made up of local property owners and city officials. According to a calendar approved by the city council, the public information period about the proposed general plan changes is expected to begin in mid to late April.

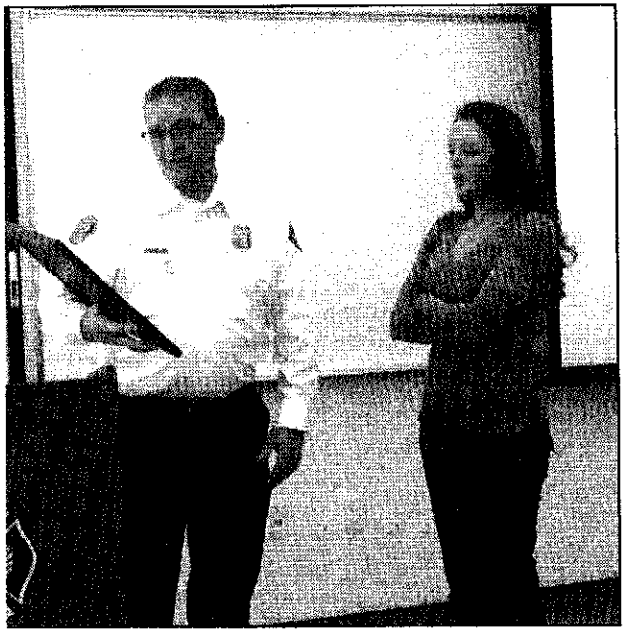
The entire process is expected to take between eight to nine months, depending on public response and what happens during the approval process. If the amendments do encourage mixed-use development in the area, however, there could be even more changes on the way.

"UTA has also agreed to participate in this by exploring what the transit needs might be if quite a large number of residential units ended up going in," said Thacker. "We want UTA to look at the possibility of a FrontRunner stop. If not, there would be other possibilities."

jwardell@davisclipper.com

The area:

- The zone is located between 1250 West and the railroad tracks.
- It stretches from Legacy Crossing down to West Bountiful.



JENNIFER HOLMES receiving her award.
Photo by Melinda Williams | Davis Clipper

Woman honored for saving two

BY MELINDA WILLIAMS
Clipper Staff Writer

NORTH SALT LAKE — A Woods Cross resident who was instrumental in getting two people out of a burning mobile home was honored last week by the South Davis Metro Fire Agency.

Jennifer Holmes was passing the Colonial Woods mobile home park at 240 E. 1100 North, in

After finally awakening the two, Holmes called 911.

By the time fire crews arrived, the mobile home was fully engulfed in flames.

Bassett played the 911 call in which listeners can hear Holmes repeatedly yelling "get out," and later asking the two if anybody else was in the home.

For her efforts, Holmes was given the Citizen Life Saving Award.

Homebound seniors not forgotten on holiday

BOUNTIFUL — The nearly 350 senior citizens who receive Meals on Wheels to their homes each day weren't forgotten on Valentine's Day.

Each one received a hand-prepared card from an elementary school student. Some came from as far away as Connecticut and Pennsylvania, while others were created by youngsters from the area, said Kristy Cottrell

department educator Priscilla Angulo's mentor group Arriba Latinas, created love letters as their monthly project. She was unaware of the project underway for Davis County homebound seniors.

"We ended up with enough for all of the homebound seniors. They were put into the lunch sacks" for delivery by Meals on Wheels volunteers, Cottrell said.

"Just to let them know they are remembered is really important. Where they are a bit isolated, this gives them a connection to the community," Cottrell said.

"I think it's great that it's a youth organization that is writing these letters," she added.

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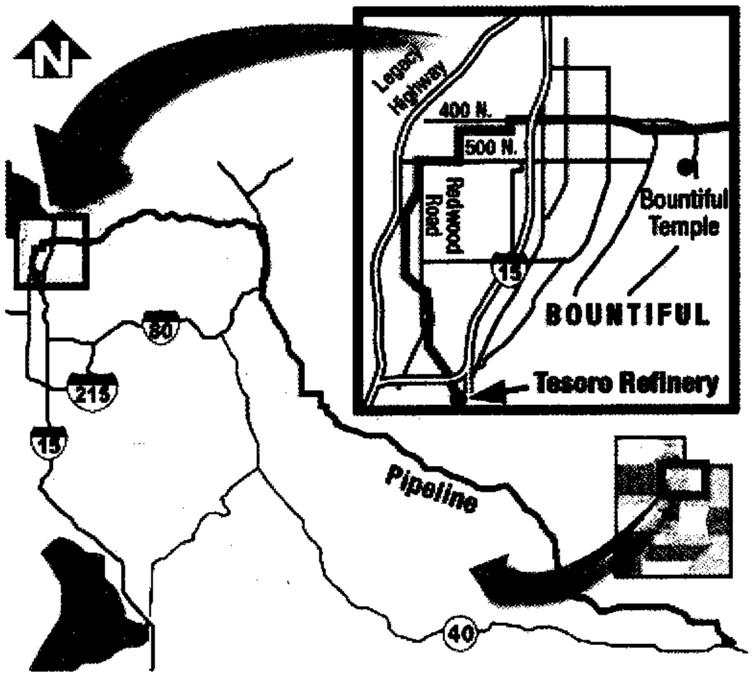
Do you like the idea of a new crude oil pipeline through Bountiful?

davisclipper.com /bookmark/24602477/article-Bountiful%20pipeline%20proposal%20in%20Forest%20Service%20hands



Proposed Tesoro pipeline map - Steve Baker | Davis Clipper

slideshow

BOUNTIFUL - U.S. Forest Service representatives hold the final decision on where the proposed Tesoro pipeline will go, and they want to hear what you have to say.

The agency is holding an open house on Thursday, Feb. 20 at 6 p.m. at Bountiful High School to discuss the early stages of the pipeline project, which will likely be used by several refineries in both Davis County and Salt Lake. Though no final decisions have been made, the company would like the pipeline to follow 400 North along underground utility lines.

"It's just a proposal," said Bountiful City Manager Gary Hill. "It's so preliminary that we plan to attend the open house ourselves, and will form a response once we have a little more information."

Even when they do, there's only so much impact the city can have. Though there will be another public comment period a year from now when the Environmental Impact Statement (EIS) comes out, the decision about the final route goes to the major landowner. The bulk of the 135-mile long pipe will travel through U.S. Forest Service land.

"The cities have the permitting process, and we'll be working with the appropriate entities to get permits," said Michael Gebhardt, vice president of business development for Tesoro. "But the formal record of decision rests with the lead agency, which is the forest service."

If the pipeline does end up traveling through Davis County, its strongest impact within the city limits will be as a large construction project. The entire pipe will be located underground, except for the occasional valve, which means that 400 North will be torn up to lay the pipeline.

The Bountiful City Council has already passed a pipeline franchise ordinance that requires Tesoro or any other company to pay for the relocation of existing utilities, and post a bond that would ensure the streets would be repaired even if the company went bankrupt.

Once it crosses the city limits, the pipeline will travel into West Bountiful before heading south, also using current utility routes. The entire length will be four to six feet below the ground, which will place it below the area's frost line.

Even if freezing won't be an issue, there are other safety concerns. Though the pipeline has sensors and remote valves designed to watch for and guard against potential leaks, some Utahns feel those measures aren't enough.

"It's only a matter of time before there's an accident," said Dan Mayhew, chair of the Utah chapter of the Sierra Club.

Though he admits the loss of 250 refinery trucks traveling up and down Utah roads will be an advantage, he feels that the pipeline only encourages greater expansion of local refineries. Tesoro's Salt Lake refinery recently won a legal battle to move ahead with a planned $180 million dollar expansion.

"The refinery expansion is what the pipeline is all about," Mayhew said. "They're expanding so they can bring in more oil than they are now, which will let them expand again. It's a domino effect."

From the Publisher

2/20/14

The Clipper wants to get you engaged in the community

BY R. GAIL STAHLE
Davis Clipper Publisher

Dear readers,

Dirty air, wherever it comes from, isn't cool.

Some people are accusing medical waste provider Stericycle with polluting the air – particularly homeowners who live near the North Salt Lake facility.

Others are pointing their finger at the area's five oil refineries – all either within South Davis or a stone's throw away in Salt Lake County.

Now, Tesoro is proposing the construction of a pipeline, part of which would run through Bountiful. The pipeline would bring in oil from the Uinta Basin to service not only Tesoro, but the area's other refineries.

A public hearing on the pipeline is set for tonight, Feb. 20, 6 to 8 p.m. at Bountiful High School.

That's but one of the issues people are talking about.

As the publisher of the Davis Clipper, I want to get readers engaged in talking about these issues, verbalizing their opinions.

We want to know what you think about these important issues. That is an important way in which we can make our newspaper one that is even more valuable to our readers.

After all, you are the south Davis community.

For 122 years, we have served as the county's voice. Even in this age where there are so many places to turn for information or to share feelings, we want to continue to be among those places.

In this edition of the Clipper, we are dealving into the pipeline, what it could mean to us as residents – should it be approved.

Our reporters have talked to a variety of people with interest in the issue. Tesoro officials came to our offices and outlined their side of the story.

Representatives of the Sierra Club and others, who oppose the pipeline or at the least have major concerns, were also interviewed.

This is just one example of a major issue that can potentially have a big impact on the community. At this point, it's impossible to know just how big an impact it will have.

The Clipper wants to make sure its readers are aware of these and other, equally important issues.

We want to assert ourselves into the community's dialogue, give readers information so they can make up their minds on the issues.

After all, that's one of a newspaper's major roles.

And again, we really want your feedback. Please write us at *letters@davisclipper.com.*

Sincerely,

R. Gail Stahle
Publisher

STDs top list of diseases prevalent in Davis County

BY MELINDA WILLIAMS
Clipper Staff Writer

CLEARFIELD — The most prevalent diseases found in Davis County in 2013 were sexually transmitted diseases, accounting for 53.6 percent of all diseases in the county.

Davis County saw a 50 percent rise in the number of cases of gonorrhea, that jumped from 40 reported cases in 2012 to 60 in 2013, according to the annual Communicable Disease report released at last week's

STD chlamydia accounted for the largest disease burden in the county with 847 cases reported. The number is a slight decrease from 2012 when 862 cases were reported. Yet the disease still accounts for 91 percent of all STDs in the county, according to the report.

Hepatitis C infections came in second only to chlamydia in prevalence, Garcia said. In 2013, new treatment regimens were made available that provided better cure rates, the report said.

The 2012-2013 influenza

this year.

For the second year, the county is seeing an increase in pertussis cases. In 2012 there were 139 cases, Garcia said — a significant increase from the 25 reported in 2011. Last year there were 104 cases reported.

Garcia told board members that while pertussis generally hits hardest during the winter months when people tend to remain indoors, a cluster of cases occurred during the summer of 2013, involving a large number of children and

Garcia said.

The department saw three outbreaks of some gastrointestinal ailment in long-tern care facilities at about the same time, Garcia said. The facilities all conducted a deep cleaning for norovirus, because cleaning well enough to kill norovirus will kill other gastrointestinal diseases.

Samonella cases also increased from 19 in 2012 to 49 in 2013, Garcia said. Several of the cases were linked to national and statewide outbreaks connected to exposure to reptiles, poultry and the consumption of raw milk.

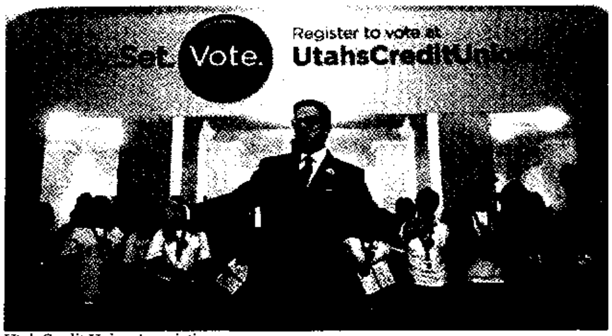
One Davis County resident was part of an out-of-state outbreak involving an eatery where tapas are served, Garcia said. The outbreak ultimately affected about 200 from 20 states and two foreign countries.

mwilliams@davisclippr.com

Deseret News

Initiative seeks to increase voter registration, political engagement

By Morgan Jacobsen , Deseret News
Published: Wednesday, Feb. 19 2014 6:35 p.m. MST



Utah Credit Union Association
President and CEO Scott Simpson speaks about an initiative to increase voter registration and political engagement at the Capitol on Wednesday, Feb. 19, 2014. Utahns can now register to vote at credit unions statewide or by visiting utahscreditunions.org. (Laura Seitz, Deseret News)

SALT LAKE CITY — Members of the Utah Credit Union Association met at the state Capitol on Wednesday to launch Ready. Set. Vote. — an initiative to increase voter registration and political engagement in Utah.

Utahns can now register to vote at credit unions statewide, even if they aren't a member of a credit union. They can also register online at utahscreditunions.org.

"The more people who have a voice in this government, the better this government is," said Scott Simpson, president and CEO of the Utah Credit Union Association. "Credit unions from around the state are dedicating their physical locations and their digital real estate for the next 30 days to make it as easy as possible."

About 800,000 of Utah's 3 million residents are eligible to vote but have not registered to do so, Simpson said. Ready. Set. Vote. organizers say they hope opening up credit unions to allow voter registration will lead to more registered voters.

About 60 credit union employees — including 45 newly registered voters — attended the event at the Capitol.

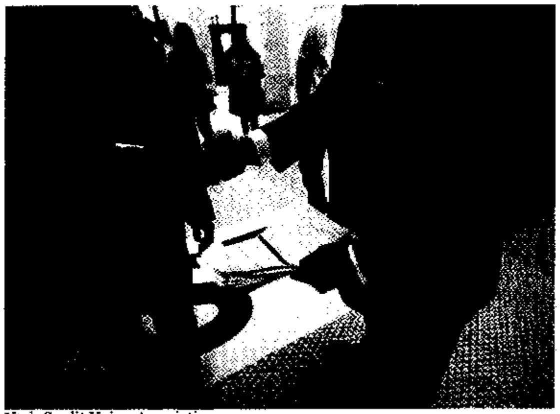
Utah Credit Union Association
President and CEO Scott Simpson collects voter registration forms at the Capitol on Wednesday, Feb. 19, 2014. Utahns can now register to vote at credit unions statewide or by visiting utahscreditunions.org. (Laura Seitz, Deseret News)

Gemma Burnett, an employee at America First Credit Union, said she sees voting as an opportunity to communicate the needs of her community to lawmakers.

"Each individual knows what they want for their community and their country to make it better. People complain, and I say, 'Why are you complaining if you don't vote?' I registered to vote today so now I can complain," Burnett said with a smile.

Lyndsay Wilson, another America First employee, said one-on-one assistance will be provided at credit unions to people who chose to register there. Mail-in ballots are also available.

As a former executive director for the Utah Republican Party, Simpson says registering to vote keeps residents informed on key issues during elections.



Utah Credit Union Association President and CEO Scott Simpson collects voter registration forms at the Capitol on Wednesday, Feb. 19, 2014. Utahns can now register to vote at credit unions statewide or by visiting utahscreditunions.org. (Laura Seitz, Deseret News)

"I spent a fair amount of effort and money communicating to voters, but we never knowingly spent a dime communicating to people who weren't registered to vote," he said. "If you're not registered, you're not part of the dialogue. There's a significant chunk of our population that is not registered to vote, and they're not exercising their voice."

Email: mjacobsen@deseretnews.com

Date: Feb 22, 2014; Section: Front Page; Page: 1A

Bill a wrench in UTOPIA deal

Measure would limit ability of cities to cross-subsidize costs of service

By ANTONE CLARK

Standard-Examiner correspondent

SALT LAKE CITY — A Utah County lawmaker's legislation that would limit the ability of UTOPIA cities to cross-subsidize the costs of a public communications service has thrown a wrench into negotiations between the fiber-to-home network and the Australian company trying to buy it.

Sen. John Valentine, R-Orem, is running SB 190, which would clarify when a public telecom company can cross-subsidize its services.

At the heart of the issue is the ability of cities to impose a utility franchise fee on the bills of all residents, even if they don't get the service. A similar arrangement is in place in Provo, where the city sold its telecommunications company to Google and now bills every household for the debt of that sale in monthly utility bills.

As it is currently written, the provision would put a damper on negotiations between the Utah Telecommunications Open Infrastructure Agency and Macquarie Capital Group.

Macquarie reportedly has expressed interest in taking over control of the company, but not taking on existing debt incurred by the network to date. The fee would give UTOPIA cities the ability to help address existing debt beyond existing means.

Valentine met with mayors from UTOPIA cities Thursday and is working on language that would allow the Macquarie deal to move forward and still protect potential ratepayers.

"Those negotiations are ongoing. I'm looking for a way to allow providers to go forward and to allow Macquarie to go forward," Valentine said Friday afternoon.

Valentine said existing state statute prevents crosssubsidizing but includes a clause by "another means." He said he and attorneys disagree on whether that excludes a utility franchise fee.

Pressed on whether the impasse was something that can be worked out, Valentine was cautiously optimistic. He said he can come up with language that is legally sound, but he can't make any promises about how the measure might do when subjected to legislative review.

Layton City Attorney Gary Crane said Valentine is trying to add language to his bill that would allow opt-outs for economic indigence on the part of any fee that can be assessed.

Valentine said he initiated his bill last year based on input from several mayors. He said it's difficult to impose a charge on people for a service they've never used. He wants discussion of how UTOPIA will be financed to be out in the open.

"Is it fair that someone should have to subsidize something in the future for which you get no benefit?" Valentine said.

Any move to finance UTOPIA would be wrong, said Royce Van Tassell, vice president of the Utah Taxpayers Association.

"They probably shouldn't have gotten into this in the first place. This was a mistake, plain and simple," Van Tassell said of UTOPIA.

Besides finding workable language in the bill, getting the legislation through the Legislature could be a challenge.

House Speaker Becky Lockhart, R-Provo, said she doesn't know the specifics of Valentine's bill, but she does know about paying on the debts of a public telecommunications service.

"I believe I am paying for the debt in Provo on my utility bill. I'm not thrilled about that, but it's a decision the Provo City Council made many years ago. You see what happened. They made lemonade out of lemons. It's a debt that is owed."

Date: Feb 24, 2014; Section: Front Page; Page: 1A

Leaders wrestle with UTOPIA

Brigham City forms task force to look at city's involvement with fiber optic network

By TIM GURRISTER

Standard-Examiner staff

BRIGHAM CITY — Officials here are empaneling a task force to look at the future of the city's involvement in UTOPIA, the highspeed Internet access provider.

And one of the options would be getting out — possibly selling the city's share of the UTOPIA fiber optic network and its accompanying 25 years or more in bond payments. Brigham and 10 other cities sold bonds to finance the network that is still not finished after more than 15 years.

Brigham pays $435,000 a year on its bonds for UTOPIA — Utah Telecommunications Open Infrastructure Agency — while Layton city is in for $2 million a year.

"I keep telling everyone we can't just pull out, we can't just switch it off," said Mayor Tyler Vincent after announcing to the city council Thursday night the formation of the 10-member Fiber Optics Task Force.

"We want them to look at options, what can we do to make it a viable thing in our city," he said. Which could include selling off the city's interest in the fiber optic infrastructure already in place. "That's something they're going to look into," the mayor said. "That's something we'd have to look at." "That's an option they can talk about," said Jason Roberts, city finance director and the city's representative on the UTOPIA governing boards. "In a best case scenario," Roberts said, "UTOPIA becomes profitable and the bonds are paid off with subscriber revenue instead of tax revenue."

The major focus, they said, is whatever can be done to reduce the debt, to pay off the bonds faster.

Roberts will be serving as staff to the fiber optics task force. Prospective members are being contacted now about joining the panel, and could be announced as soon as the middle of this week.

As far as how much of UTOPIA's fiber optic lines are in place, Brigham City is one of the better off among the municipal owners of UTOPIA, which include Perry and Tremonton, plus Orem and West Valley City. "We're about 94 percent built out," Vincent said.

The fiber optic lines are in place along all but a few of the city's streets, Roberts said, but for an area in the southeast area of town and a few remote spots elsewhere. Most every home in town could hook up to the fiber optics now, Roberts said. "I'm not sure they all know that."

Problems with advertising and sales outreach have been among the complaints about UTOPIA over its more than 15-year existence.

Roberts said people may not realize UTOPIA stopped requiring residents to allow liens to be placed on subscriber homes since 2010.

Buildout for the UTOPIA network has been delayed for years for a variety of reasons, including contractor problems and a federal grant program closing down that had assisted subscribers in paying hookup fees.

UTOPIA officials count an estimated 20,000 subscribers statewide, far short of the goal of 153,000.

An expected infusion of capital to complete the buildout, as much as $300 million, was announced in December with UTOPIA'S signing of a pre-development agreement with Macquarie Capital Group, an Australian investment firm that specializes in running public-private partnerships.

Macquarie has been seeking fees from the 11 UTOPIA cities for an engineering feasibility study before it signs final papers to complete the buildout.

Brigham's share is an estimated $13,000. "We have not agreed to do anything but the study with Macquarie," Vincent said. "Macquarie is another option for the task force to look at."

Contact reporter Tim Gurrister at 801-625-4238, tgurrister@standard.net. Follow him on Twitter at@tgurrister.

Date: Feb 25, 2014; Section: Front Page; Page: 1A

Committee gives reprieve to UTOPIA negotiations

By ANTONE CLARK

Standard-Examiner correspondent

SALT LAKE CITY — At least one key legislative obstacle has been removed from ongoing negotiations between an Australian company and UTOPIA.

A Senate committee amended legislation Monday that would allow negotiations between cities involved in the Utah Telecommunications Open Infrastructure Agency and Macquarie Capitol Group to move forward. The committee gave a favorable recommendation to an amended version of SB 190, which would allow UTOPIA cities to impose a utility franchise on every household in their network going forward.

The original bill would have allowed UTOPIA's 11 participating cities to impose the fee for past debt, but not for any new debt going forward.

Bill sponsor Sen. John Valentine, R-Orem, allowed discussion on both the original bill and the amended bill, saying it is up to committee members to decide which direction to go.

Layton City Attorney Gary Crane made it plain the original bill would kill the Macquarie deal.

"Please, we're asking on behalf of the cities, please do not ruin negotiations before they have actually begun. It doesn't mean ultimately they will succeed, but it takes away at least an opportunity for an option to the cities," he said.

Valentine met with mayors from nine of the 11 UTOPIA cities on Thursday, and Crane said there was a consensus among the mayors that they would support the amended legislation. A representative from Brigham City did not attend the meeting.

A representative for Macquarie, Spencer Stokes, said the company is supportive of the legislation as amended. He did not elaborate on negotiations with UTOPIA.

Committee chairman Sen. Curtis Bramble, RProvo, voted to forward the bill but expressed doubts UTOPIA's business model will succeed.

He noted Provo racked up $40 million in debt before selling its telecommunications company to Google for $1. Provo utility customers pay for the old debt from iProvo on their monthly utility bills.

Crane said the iProvo example is different from UTOPIA. He said Macquarie could take over the existing network, continue the buildout process without any new debt to UTOPIA cities, then return ownership of the network to participating cities after 20 or 30 years.

Should the bill clear both Senate and House review a n d b e signed by the governor, Crane said, it's possible a deal with Macquarie could be in place in a matter of months.

Propon e n t s o f UTOPIA

claim the new fiber highway invites all providers and engenders competition, which drives down the cost of telecommunications services.

Bramble, who admits he still isn't sold on the idea that moving the bill forward is a good thing, said he reluctantly supported passing the bill.

"I'm not persuaded with the argument to build the pipeline and the highway, and people come on. We have a dilemma. We've spent hundreds of millions on UTOPIA," he said.

UTOPIA cities include Tremonton, Brigham City, Layton and Centerville.

Valentine said he initiated his bill last year based on input from several mayors. He said it's difficult to impose a bill on people for a service they've never used. He wants discussion of how UTOPIA will be financed to be out in the open.

Utah State Legislature 2014

Valentine

Deseret News

Voter information bill passes House

By Lisa Riley Roche , Deseret News
Published: Tuesday, Feb. 25 2014 12:15 p.m. MST

Shelly Stricker casts her vote at Fort Herriman Middle School Tuesday, Nov. 5, 2013. A bill aimed at letting voters protect their personal information passed the House Tuesday. (Scott G Winterton, Deseret News)

SALT LAKE CITY — A bill aimed at letting voters protect their personal information passed the House on Tuesday.

Rep. Becky Edwards, R-North Salt Lake, described HB302 as what the public wants after Utah voter information, including birthdates and phone numbers, was made available online at no charge on a commercial website.

"Government should not require an individual to relinquish their right to privacy in order to be able to vote," Edwards told her fellow lawmakers, advising them that she had compiled copies of all of their personal information.

Rep. Eric Hutchings, R-Kearns, said he tried unsuccessfully to pass similar legislation in previous sessions. Hutchings said he recently became a victim of identity theft and saw his credit rating plummet.

While he said he did not know where his personal information was taken from, Hutchings said all sources must be protected.

"The government's reckless use of personal information is getting out of hand," he said.

Edwards said her bill would allow voters to choose to keep their information private when they register and classifies birthdates as protected records. She said the bill offers safeguards not included in a related bill, SB36.

HB302 was approved 71-2 and now goes to the Senate.

Email: lisa@deseretnews.com, Twitter: DNewsPolitics

The Salt Lake Tribune

Farmington may sue to block West Davis Corridor freeway

Notice • City tells officials the preferred route ignores its conservation easements.

BY LEE DAVIDSON

THE SALT LAKE TRIBUNE

PUBLISHED: FEBRUARY 25, 2014 06:54PM

UPDATED: FEBRUARY 25, 2014 10:13PM

Farmington is serving notice that it may sue to block the proposed route of the West Davis Corridor freeway and force the Utah Department of Transportation to redo the project's environmental-impact statement.

image

Preferred route The Utah Department of Transportation's preferred alternative for the West Davis Corridor extends from Glover Lane on the south, northward along Bluff Road and 4100 West to 5500 South in Roy on the north end.

The city says it will do so unless UDOT removes three "conservation easements" the city owns near the Great Salt Lake from the freeway's route, which it contends is required by federal law and rule.

"Farmington City will be required to protect its interests if these problems are not rectified by complete avoidance by the West Davis Corridor of these conservation easements," wrote Jeffrey W. Appel, an attorney hired by Farmington.

His seven-page letter, dated Feb. 21, was sent to UDOT and the Federal Highway Administration.

The freeway would be the northwest extension of the Legacy Parkway — which itself was built after a four-year legal battle over potential damage to wetlands.

Appel wrote that Farmington believes UDOT and the Federal Highway Administration decided first where they wanted the freeway to go, and then their environmental review "and conclusions were reverse-engineered to support that preconceived result" to take advantage of the empty fields in the conservation easements.

He contends that federal rules require giving deference to local officials to identify significant public lands that should be excluded from such routes, and said Farmington told federal and state officials in the process that the easements "must be preserved for such things as parks, recreation areas or wildlife/waterfowl refuges."

The city purchased the easements requiring such uses in perpetuity, Appel said, and not for roads.

Farmington Mayor Scott Harbertson said in an earlier interview that the conservation easements were set up as a buffer between the city and the lake. "It was set up so we wouldn't have any growth out there. Now we would have more urban sprawl" if the freeway goes through and ignores open-space protections.

Appel wrote that the city has requested documents to show why the easements were included in plans for the route, but has not been given much. The environmental documents "ignored or misstated" the "purposes, current uses and plans for the land," he contends.

"This is a fatal flaw for the entire West Davis Corridor DEIS [draft environmental impact statement] ... that will legally disable the entire effort."

Farmington City Administrator Dave Millheim said the city is also upset that UDOT has been buying property along its proposed route, even though the draft environmental impact statement has not been finalized.

UDOT spokesman John Gleason said, "We are aware of Farmington City's concerns, and will continue to work with them throughout this process. UDOT has not purchased any properties in Farmington. We are considering purchasing land on both [major] alternatives" considered in the draft environmental impact statement.

UDOT has said it hopes to issue a final environmental impact statement by this summer, and hopes for a confirming final record of decision by the Federal Highway Administration by the end of the year.

UDOT slowed that process after receiving a flood of 1,600 comments last year on its draft environmental impact statement, including one from the U.S. Army Corps of Engineers that threatened to deny permits needed for construction because of potential damage to Great Salt Lake wetlands.

ldavidson@sltrib.com

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 9:25 PM ON March 4, 2014 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

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

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

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

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

A. NEW BUSINESS

1. Minutes Review and Acceptance

   February 18, 2014 meeting

2. Consideration of the Redevelopment Agency of the City of Centerville to Approve Tax Increment Participation Agreement relating to the Salmon Pasture Development within the Barnard Creek CDA

3. Consider use of RDA funds for enhancements to Main & Parrish Intersection Project

B. ADJOURNMENT

Steve H. Thacker
Executive Director