MINUTES OF LAYTON CITY COUNCIL WORK MEETING **APRIL 19, 2018; 5:33 P.M.**

MAYOR AND COUNCILMEMBERS PRESENT: **MAYOR BOB STEVENSON, JOYCE BROWN, BRUCE DAVIS, TOM DAY, SCOTT FREITAG AND JOY PETRO**

STAFF PRESENT: **ALEX JENSEN, GARY CRANE, TERRY COBURN, BILL WRIGHT, TIM WATKINS, MORGAN CLOWARD, KENDALL WELCH, DAVID PRICE AND KIM READ**

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Stevenson opened the meeting and turned the time over to Staff.

AGENDA:

MAYOR'S REPORT

Dave Price, Parks and Recreation Director, informed the Council no bids were received for the amphitheater improvements and recommended extending the timeframe associated with the project. He suggested re-bidding the project for construction to begin in either the fall or the spring and added if construction began in the spring it was possible the project could be completed in its entirety over the summer. He pointed out Staff would be requesting direction from the Council during the process. Mayor Stevenson also suggested contacting previous vendors to solicit interest in completing the project. Councilmember Day clarified the lack of interested bids was directly related to the climate of the construction industry.

Councilmember Petro arrived at 5:35 p.m.

Mayor Stevenson announced IHC (Intermountain Healthcare) had once again volunteered to donate 300 t-shirts for the Tour of Utah event. The Council believed 500 t-shirts would be needed. Mayor Stevenson indicated the City could cover the cost for the other 200.

DRAFT ORDINANCE 18-12: AMENDING LAYTON MUNICIPAL CODE – TITLE 19 (ZONING), SECTION 19.020.020 (DEFINITIONS) REMOVING "MINI-STORAGE UNITS" AND ADDING "CONTRACTOR STORAGE YARD", "HEAVY EQUIPMENT RENTAL/SALES AND STORAGE", "SELF STORAGE FACILITY", AND "WAREHOUSE AND DISTRIBUTION", REPEALING AND RE-ENACTING SECTION 19.06.140 "SELF STORAGE FACILITY REQUIREMENTS", AND AMENDING TABLE 6-1 AND 6-2 "TABLE OF LAND USE REGULATIONS"

Bill Wright, Community and Economic Development Department Director, introduced Kendall Welch, Planning Technician, and reminded the Council of a previous discussion from December regarding a text amendment pertaining to indoor/outdoor storage and land uses. He reminded the Council it had agreed to put a hold on processing applications for proposed storage units in Commercial Zoning districts. He clarified applications for storage units zoned Industrial and also mentioned it had also adopted a Resolution specific to uses within the APZ (Accident Potential Zone). He reported a public hearing was scheduled for Thursday, May 3, 2018, regarding land uses and storage units. He stated Staff believed the Council would need more than one meeting for the presentation of information and any subsequent discussion and direction. He also indicated Staff would also be discussing the impacts of the APZ and the

M-1 properties and the three story minimum which had come about since the last Planning Commission meeting.

Tim Watkins, Planner, shared a visual presentation specific to storage units and suggested the use be applied to the Manufacturing/Industrial zone. He explained the standard industry term was non-climate or climate controlled self-storage facilities. He reported there were 6,373 number of storage units within the City and shared information specific to the supply/demand analysis. He shared a map of Layton City identifying locations of storage units.

Mr. Watkins reported Clearfield City hasn't allowed storage facilities for the past fifteen years and Mr. Wright suggested the number of storage facilities in Layton was a direct result. Mr. Watkins shared an illustration of a three mile radius identifying the proximity of storage facilities with neighboring communities. He informed the Council of the trend to convert large vacant big box or mall properties to climate controlled/indoor storage and discussed the possible detrimental impact to the communities. He added there were instances in which cities couldn't disallow these uses which prompted Staff's concern. Mr. Watkins stated Staff had concluded that town centers weren't compatible to these uses and suggested Manufacturing/Industrial zones would be a more appropriate zone to accommodate storage facilities.

He reviewed the following proposed options for the Council to consider:

- Option A – Prohibit self-storage facilities
- Option B – Allow self-storage facilities (1-story or greater) only in Manufacturing/Industrial (M) zoning districts
- Option C – Allow self-storage facilities (1-story or greater) in Manufacturing/Industrial (M) zoning districts with separation limitation
- Option D – Allow self-storage facilities (multi-story only) in Manufacturing/Industrial (M) zoning districts with separation limitation
- Option E – Allow self-storage facilities (multi-story only) in Manufacturing/Industrial (M) and in B-RP and C-H zoning districts as a Conditional Use with separation limitation

He announced the Planning Commission recommended option D and Mr. Wright reported the proposal would contribute to land efficiency pointing out land values had justified vertical development.

Councilmember Petro inquired about outdoor storage and Mr. Watkins responded those types of uses would continue to be allowed in the Manufacturing/Industrial zone and shared a map illustrating the available land where these facilities could be located. He reviewed the specifics associated with Option D and Mr. Wright pointed out the distance separation would restrict where these could be located and indicated there were a few locations in the APZ which could accommodate the use and referred to the illustration which identified those limited locations.

He reminded the Council when it adopted the resolution, petitions for rezone had been submitted and the City allowed development to proceed because it was vested. He also identified a parcel intended for storage unit development with a current development in place which was also vested and would proceed with development. He identified the location of a storage unit development currently under construction with a storage unit facility located across the street and the three-story standards were applied. He added an exception within the APZ would need to be granted. He emphasized the Council controlled the decision whether to rezone additional property to Industrial and pointed out if the exemption was granted, there would be similar interest for nearby parcels. Mr. Wright reported the Air Force had expressed its support for the exemption and indicated the City could currently allow for the use and pointed out this issue hadn't been presented at the Planning Commission. He added the Air Force was seeking a grant opportunity for the protection of encroachment on air bases. He explained how the permitted use in the M-1 zone would contribute to land use efficiency for these types of developments. The Council discussed the proposal and Mayor Stevenson pointed out the importance of planning appropriately for the next 30 years. The Council continued to discuss the need for storage units in the northern Davis County market.

Mr. Wright pointed out the provision specific to electrical service within the units and explained the language was intended to eliminate the use as possible "housing" and a discussion followed.

Mr. Wright reviewed the Table of Land Use Regulations and stated the City had moved the use from Commercial zones, which had been allowed as a Conditional Use. He stated State law no longer allowed the City to restrict or deny the use and suggested the City no longer identify the use in that particular zone. He indicated the Council would have the opportunity to continue this discussion during its next work meeting if needed.

COMMUNITY DEVELOPMENT BLOCK GRANT CONSOLIDATED PLAN 2018 TO 2023 AND ANNUAL ACTION PLAN 2018-2019

Mr. Wright reminded the Council the City was a recipient of CDBG (Community Development Block Grant) funding and it was also an entitlement community, which meant it didn't have to compete with other municipalities for funding. He reported the City was required to complete a Five-year Consolidated Plan which included the One-year Action Plan to meet requirements and be eligible to continue to receive funding. He reviewed the timeline associated with the grant funding.

Mr. Wright stated he anticipated an increase in funding this year; however, the City wasn't positive of the amount of funding it would receive. He shared an illustration identifying the proposed activities and funding requests for the CDBG funds and reviewed it with the Council. He suggested increasing the amount of funds for Homebuyer Assistance Program from $5,000 to $7,500 in order to provide the same value of assistance due to the increases in housing affordability.

He pointed out the Housing Emergency Repair/Rehab Program which would be a pilot program this year. He explained the County currently had a program in place; however, Layton residents weren't eligible for any of the funds because Layton was an entitlement City and received its own funding. He indicated the program would be administered by the Davis County Housing Authority and residents requesting grant funds would be required to contribute $100 for every $900 requested for home repairs.

REZONE REQUEST – ADAMS REZONE – A (AGRICULTURE) TO C-TH (CONDOMINIUM/TOWNHOUSE) – ORDINANCE 18-07 – 796 NORTH FAIRFIELD ROAD

Mr. Wright shared a visual illustration identifying the parcel of property and its location within the City. He indicated the single family home on a large parcel was proposed for new development of townhomes and shared a proposed layout of the development. He stated the proposed development met the standards of the C-TH (Condominium/Townhome) zone and the Planning Commission recommended approval.

REZONE REQUEST – ALVEY REZONE – R-1-8 (SINGLE FAMILY RESIDENITAL) TO MU (MIXED USE) - ORDINANCE 18-10 – 393 AND 379 WEST 1350 NORTH

Mr. Wright explained the location and shared a visual illustration of the property and stated the General Plan had identified the parcel as Mixed Use (MU). He explained there was a single family residential home on the corner and the adjacent home on a residential street. He informed the Council the applicant desired to have office use in the corner home, leaving it as a single family home and use it as a design show room illustrating the applicant's business of rehabilitating homes. He explained the reason for not proposing the rezone as PB (Professional Business) was that it didn't have the area required for that zone and added the MU zone both accommodated keeping the occupancy of one of the residential homes and putting the office in the other. He stated the Planning Commission had reviewed the proposal and reported residents had expressed concern about the rezone; however, it was consistent with other parcels given the frontage along Hill Field Road. He mentioned there were challenges associated with the parking and indicated it was being accommodated with parking being allowed in the rear of the parcels.

He informed the Council the Planning Commission recommended the MU zone with the condition that should anything change, such as demolition of the structures, to build something new or should something other than residential occupy the structures, it would come back to the Planning Commission. He stated Staff recommended approval of the MU zone. He reported the original motion to approve the rezone was defeated with a vote of 3-4; second motion was to recommend not changing the zone and it passed with 4-3 vote. He pointed out the Chair had to vote in order to break the tie.

Dawn Fitzpatrick, Planning Commission Chair, spoke on behalf of the Planning Commission, expressing its concern about parking, the future of the MU zone and allowable uses. She mentioned concern about the properties potentially accommodating townhomes. She pointed out there was no development plan and expressed concern regarding potential development in the future.

MAYOR’S REPORT

Terry Coburn, Public Works Director, informed the Council a bid award was on the meeting agenda for the design of the Valley View water tank east of Highway 89. He indicated Weber Basin was originally going to participate with the proposed tank and shared the history of the project. He explained Weber Basin had identified the need for the tank to go 80 feet higher in elevation which would cause issues with Layton’s system; therefore, Weber Basin was no longer a participant in the project.

Mr. Coburn informed the Council the initial phase of $1 million had been appropriated in the budget and explained when and how future phases would be completed and appropriated during the budget processes.

Councilmember Day inquired if the capacity of the tank would change without Weber Basin’s participation. Mr. Coburn pointed out the City would still be constructing a two million gallon tank.

ADOPT AND APPROVE AN AGREEMENT BETWEEN LAYTON CITY AND UTAH INFRASTRUCTURE AGENCY (UIA) FOR CONNECTION SERVICES IN LAYTON, UTAH – RESOLUTION 18-23

Gary Crane, City Attorney, introduced UIA Staff to the Council and announced they were present to answer any questions. He explained the Service Agreement would be between Layton City and UIA, and reminded the Council the City was part owner in UIA. He stated UIA is the entity completing the build-out of the UTOPIA fiber network and explained the need for fiber within cities and stated the City desired to move forward in completing the system. He reported UIA was doing exceptionally well financially and revenues were considerable. He reported all eleven cities were now connected and UIA was working to build out every city and indicated Layton City’s track record identified a high demand for connectivity.

He stated Staff had drafted a Service Agreement which would expedite the build of Layton’s fiber network to provide connection opportunity to every home and business in Layton City as opposed to completing the network gradually one footprint at a time. He stated in working with UIA regarding the Service Agreement, UIA and UTOPIA have had over 16 years of experience in the construction and maintenance of the fiber network. He indicated that the Service Agreement would provide for the buildout of Layton’s system for a designated price and UIA would bond for the cost. The Bonds would be backed by Layton City should the projected revenues fall short. He reported the take rate required to meet the debt service on the UIA Bonds ranged from twenty-two to thirty percent and indicated the current take rates in existing footprints were exceeding those numbers with demand for the service growing daily.

Mr. Crane reviewed the following specifics associated with the contract:

- It would be a 25 year contract
- Provides for buildout between two and three years
- City would only have to pay if the City’s take rate was below twenty-two percent

He indicated that based on UIA’s current take rates in Layton City, the service provided by UIA will be sufficient to meet those requirements. He indicated there was a two-year capitalization rate built into the contract before UIA would have to complete its first bond payment. He added during that period of time Layton City would be accumulating funds up to the expiration date of the two-year capitalization. He stated UIA would be responsible for all billing, service and construction associated with the fiber and Layton City residents would only benefit from the service. He emphasized the only individuals that would be paying for this would be those that hook up to the service. He concluded the agreement was a very basic service agreement.

Mr. Crane pointed out there would be a future hearing regarding the backing of the bonding once the bond was in place. He stated the debt obligation was UIA's, the City would back the bonds; however, the City would still be able to use those funds for City needs.

He asked if there were any questions.

Councilmember Freitag pointed out there were a number of blanks scattered throughout the agreement and specifically inquired about the blanks under "definitions" on page 4. Mr. Crane responded the City needed to establish some criteria to determine when the buildout was completed. He believed the best way to do that was to base that figure on total maximum end users and announced the figure of 3,989 would be used to gauge the last mile before the City would have to pay for the additional hookups. He also explained how the City had already began collecting revenues which could be used for this purpose.

Councilmember Freitag asked how UIA could be considered a "political subdivision". Mr. Crane explained UIA was an interlocal organization between all 11 entities and whatever interlocal is created by governmental entities, the created entity becomes a political subdivision of the State.

Councilmember Freitag directed Mr. Crane to page 9 of the agreement and inquired about the "Use of Franchise Tax Revenues" portion of the Agreement and the part of the agreement which restricted the City from reviewing and adjusting the Franchise Tax in the future. Alex Jensen, City Manager, responded the document addresses not only the relationship between the City and UIA, but those that would be issuing the bonds. He continued they would want to address the City's credit worthiness and suggested the language in the document specifically addressed the assurance to the creditor. Mr. Crane added the City wanted to ensure it would be limited to only one type of tax as opposed to general revenues. He mentioned Layton City had adequate income from that tax to back the debt and added there was no language in the agreement which prohibited the City from making an early payment to UIA for the purpose of retiring the debt.

Councilmember Freitag asked about the life of the product and pointed out some of the infrastructure had been in the ground up to ten years. He asked about arrangements on updates or rebuilds associated with the infrastructure already installed and Mr. Jensen responded that was UIA's responsibility and indicated there was a seven-year replacement. This is covered by UIA.

Mr. Jensen stated UIA would manage and own the system; the City would have the opportunity to invest funds for additional connections as the take rate increased above the "maximum end users". He emphasized UIA was issuing the debt, the City was backstopping it.

Councilmember Freitag inquired if there were any restrictions to the City regarding the fiber service ensuring the continuation of free access in City parks or its affiliates such as Safe Harbor. Mr. Jensen responded currently there weren't restrictions for that use.

The meeting adjourned at 6:55 p.m.

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Kimberly S Read, City Recorder