



**Minutes of the
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE MEETING**

September 10, 2013 – 7:00 p.m.

Committee Members in attendance: Rick Salisbury, Ruth Morrison, Craig Conover, Alan Shurtliff, Mike Snelson, Kevin Jennings, Dan Bott, Elizabeth Elder, Clair Anderson, and Shirlene Jordan. Committee Members absent: Kristian Kallaker and Dave Nemelka. Also in attendance was Mayor Wilford Clyde. Staff in attendance included: City Administrator Troy Fitzgerald, Administrative Services Manager Rod Oldroyd, and Executive Secretary Hilary Barksdale.

Mayor Clyde welcomed everyone at 7:00 p.m. At Mayor Clyde's behest, Mr. Anderson and Mr. Shurtliff introduced themselves to the Committee with brief biographies. Mayor Clyde stated that at the last meeting Committee members were urged to email their ideas for the Committee's mission and goals, and he had received two emails from Ms. Elder and Mr. Jennings. Ms. Elder stated that she had printed a list of Springville businesses, and suggested that the Committee should know what the people of Springville will support. She continued that small and medium-sized businesses were the backbone of the City, and that in addition to seeking out larger businesses to locate here, small business should also be pursued. Mr. Jennings wanted to know how Springville City garnered tax revenue. He suggested an annual state of business meeting with a breakfast or lunch.

Mayor Clyde suggested skipping agenda item number one and proceeding with number two, as he had asked Administrator Fitzgerald to have a presentation on tax revenue ready for the Committee pursuant to Mr. Jennings' email.

Administrator Fitzgerald brought the Committee's attention to an information packet he had prepared. He stated that in 2005 the City had done a leakage analysis, where it had looked at the tax revenue generated in the City, and how much was leaking out to other communities. He observed that the City captures a good amount of its restaurant dollars. He directed the Committee to the packet, which he said shows how City revenue is built up. Administrator Fitzgerald said the City gets about 16% of the property taxes charged to citizens. He said business owners are charged on 100% of valuation, and residences on just 55%. He said when property taxes are raised, it affects businesses more than homeowners, and commented that the tax rates were set by the State. Mayor Clyde commented that the City could raise the taxes that it charges to a larger percentage.

Ms. Jordan asked if Springville's tax rates were in line with other cities. Administrator Fitzgerald replied that we were slightly below average in the county. He directed the Committee's attention to the third

page of the packet, showing how sales tax was distributed. He observed that of the sales tax charged when purchasing in the City, 1% goes to local government. Mayor Clyde clarified that the City receives 1% of the 6.75% charged at point of sale. This was confirmed. Mr. Conover asked if the State money flows back. Administrator Fitzgerald replied that it does not. Administrator Fitzgerald noted that sales tax income peaked in 2008 and has dropped off in the last few years. He noted that FY 2013 revenues were almost equal to the levels recorded in 2008. He reported that the periodic spikes in revenue on the graph indicated that some businesses were reporting quarterly. He said the State's formula is 1% of total sales going to local government; however, only one-half of one percent goes directly to the local jurisdiction. The other one-half of a percent goes to the state and is disbursed based on population. Administrator Fitzgerald pointed out various amounts of sales tax revenue coming in from restaurants, fast food establishments, and grocery stores. He reported that the City collects only property tax from the industrial park businesses. He said that industrial park business was important to add jobs to the community, but the City is incentivized greatly toward retail business.

Administrator Fitzgerald reported that the State delivers sales tax based on point of delivery. He referred to a list of the top sales tax producers in Springville from the packet. Ms. Jordan asked about a sign in Reams stating that more money stays in Springville when shopping there than if you shop at Springville's Walmart. Administrator Fitzgerald replied that research shows that money stays in the community more when you shop locally. Mr. Shurliff said he was surprised that Flying J did not show up on the list of top sales tax producers. Administrator Fitzgerald explained that the City receives revenue from fuel sales based upon total mileage, not fuel sales. He said that Representative Becky Lockhart has been pushing the local option gas tax, which may be a good option for the City. Mr. Conover noted that it may push consumers away as gas prices will rise. Mayor Clyde noted that fuel tax revenue is ear-marked for road funds, and regardless of the tax revenue produced by the City truck stops, the revenue received back by the City is based solely on the number of roads in town.

Mr. Shurtliff asked how the City gauges impact fees, and wanted to know if the City generates income from impact fees. Administrator Fitzgerald answered that under state law, impact fees can only be used for growth-related projects that are identified by study. Mayor Clyde noted that the City had just performed a study on its stormwater/sewer impact fees, and said that both would be lowered. Mr. Conover stated that the City needs to be competitive with its impact fees to attract business. Mr. Salisbury suggested that impact fees be charged with property tax over the course of several years, instead of paying up-front, thus helping potential home buyers. Mayor Clyde responded that this was an idea the City should look at that could possibly be promoted at the state level.

Mayor Clyde suggested the Committee look back at agenda item number one—setting goals and benchmarks as a Committee. He noted the ordinance states generally what the Committee needs to do, and that previously it was suggested the Committee set goals and benchmarks to help determine its effectiveness. Mr. Snelson noted that he had several ideas that he did not have the opportunity to email. He added that the ordinance outlining the six duties of the Committee should define the Committee's mission statement. He said that he had written several goals that could be looked at and refined—firstly, what does the Committee want Springville to look like? Should the Committee define Springville's image based on Mayor Clyde's view of providing jobs, bringing income into the City, providing conveniences for the citizens, and incorporating Springville's competitive advantage. He suggested

creating Springville's image definition prior to November's meeting via social media, and remaining in contact with each other as a Committee more than once a month. Secondly, he suggested the Committee recommend a new, more business-friendly sign ordinance designed to allow businesses more advertising space with more visible signage—to be completed within six months from today's date. Mr. Snelson suggested organizing a committee comprised of representatives from each of the City zones. The Committee would review the current sign ordinance and suggest changes including simplification and fewer restrictions, keeping in mind Springville's image. Thirdly, Mr. Snelson suggested the Committee simplify zones.

Mayor Clyde asked what the Committee wanted commercial districts to be, and that the Committee needed to define each district within the zones. Mr. Snelson asked Administrator Fitzgerald to define an overlay zone. Administrator Fitzgerald offered an explanation of the various overlay zones and their restrictions. He noted that the overlay zones could be removed or modified. Mr. Snelson added that if overlay zones are hindering the building of homes, they should be examined by the Committee. There was a discussion regarding Springville's demographic, and the areas included in it, as looked at by Costco. Mr. Salisbury asked why areas containing railroad lines and power lines cannot be used for higher density housing. Mayor Clyde again asked the purpose of the Committee, and stated that that was a Planning Commission issue, but that the Committee could certainly make recommendations to the Planning Commission.

Mr. Snelson continued that Committee Members should be assigned to Administrator Fitzgerald for attracting new business, and to Manager Oldroyd to help with existing business; he noted that the Committee should encourage affordable housing in order to reduce the number of trailer units in the City over a period of time.

Mr. Shurliff asked what the City is doing to capture big business. Mayor Clyde replied that the City is working with Boyer Company and listed the various projects Boyer has completed. He said that he had also met with Wadsworth Development. Mr. Shurliff observed that internet sales are detrimental to big box stores. Mayor Clyde noted that many big box stores are struggling, but that he had contact with Target and Kohls. Administrator Fitzgerald added that the Council was willing to incentivize business that is not currently in Springville. Mr. Shurliff observed that Barber Brothers in Spanish Fork had recently been bought out by the largest Chevrolet dealer in North America and asked what the City is doing to attract car dealerships. Mayor Clyde replied that was one purpose for the formation of the Committee--to generate ideas that the City can use to attract big business.

Ms. Elder asked about stores such as TJMaxx and RCWilley. Administrator Fitzgerald said that medium-sized box stores such as these are lined up to come to Springville, but only when big box anchor stores commit first. Kohls and Target were suggested big box anchor stores. He added that developers incentivize big box stores. Mr. Shurliff asked if the City has looked at satellite locations for Utah Valley University (UVU) or the University of Utah. Mayor Clyde replied that when he was a trustee for UVU, Payson City had offered land to UVU at no cost if they would locate a satellite there, but all the discussion at UVU was centered on locations in North County to attract students from the Salt Lake area.

Mayor Clyde asked for any other ideas for goals the Committee would like to accomplish. Ms. Elder asked if the sign ordinance changes rest with the Planning Commission. Mayor Clyde responded that ideas for changes should start with the Economic Development Advisory Committee. Ms. Elder asked if PRI had a timeline for selling their property on 400 South. Mayor Clyde responded that PRI was very open to marketing their property. Administrator Fitzgerald noted that PRI moves very slowly. Ms. Morrison suggested that a better channel of communication should be established to market Springville's events to this and surrounding communities. Mr. Snelson suggested that the Committee have a Facebook page to get input from citizens.

Mayor Clyde suggested that the next meeting be dedicated to defining the Committee's desired image for Springville. He suggested asking Fred Aegerter, Community Development Director, to address the Committee and discuss the General Plan. Mr. Snelson suggested discussing the matter via email prior to the next meeting. Mayor Clyde asked the Committee to go to the City's website and review the General Plan. Mr. Snelson stated that our community has an image with the Art City, and that image could be built upon. He said there was no reason that businesses in the Walmart area could not tie into the Art City image.

Ms. Jordan asked for ways to support and promote current businesses. She asked if the City Source Newsletter could highlight an existing business each month, or maybe list all businesses within the City. Mr. Bott commented that the Committee should come up with ways that the City can incentivize big box stores to locate here. Mr. Conover noted that Spanish Fork had jumped out of the box, and Springville needs to look outside of the box. He suggested that Springville should offer more incentives than it thinks may be necessary.

Mayor Clyde asked the Committee for nominations for a chairperson. Mr. Anderson offered up Mr. Jennings' name, and Mr. Conover nominated Mr. Snelson. There were no other nominations or offers to serve as chairperson. Each Committee Member submitted a written vote. Administrator Fitzgerald and Manager Oldroyd tallied the votes. Mr. Mike Snelson was elected Chairman. Mr. Snelson asked Administrator Fitzgerald to email some guidelines to him. Mayor Clyde summarized the ideas generated during the meeting. Mr. Anderson requested that car dealerships be added to the list of ideas. Mayor Clyde pointed out that one challenge of car dealerships was that they needed to be a certain distance from each other. Mr. Conover mentioned that there was a disconnect between the Chamber of Commerce and the City. Mayor Clyde said that should be added to the list under communication. Ms. Elder noted that there was a problem with how the City interacts with local businesses, and added that the Committee should look at how local government interacts with existing and new business. Mr. Jennings was told to refer potential new business parties to Manager Oldroyd or Administrator Fitzgerald. Manager Oldroyd passed out the Springville City Profile booklet.

The meeting concluded at 8:18p.m.