Minutes of the Planning Retreat of the Springville City Council held on Thursday, September 27, 2018, at 5:00 p.m. at the Zermatt Conference Center 784 West Resort Drive Midway, Utah.

Mayor Richard J. Child presided. In addition to Mayor Richard J. Child, the following were present: Councilmember Christopher Creer, Councilmember Craig Jensen, Councilmember Jason Miller, Councilmember Brett Nelson, Councilmember Mike Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and Deputy Recorder Jennifer Grigg. Most of the spouses of the attendees were there as well.

CALL TO ORDER

Administrator Fitzgerald welcomed everyone and called the meeting to order at 6:12 p.m. He asked everyone to introduce themselves and sign up online for a fun trivia game with prizes. Staff, Council and spouses enjoyed getting to know each other. Dinner was served and then he introduced Dr. Clay.

Presentation by Michael J. Clay, Ph.D. Director of Urban and Regional Planning Program for Brigham Young University

Dr. Clay started his presentation by showing land use and forecasting models. He considers Springville, “the little city that could.” The math for the modeling in these forecasts won two Nobel Prizes. Springville has the second strongest industrial park in Utah County and is projected for retail growth. As a member of the planning commission, he sees citizens at the podium who need to know all they need know. Our cities are developing. Are we going in a direction we want to go? Are we sure to hit our final target? Talking, working together and having discourse and debate on council are always a good thing. Citizens are affected by the decisions more than staff, developers or the council. In a representative democracy, the council is making decisions in the behave of citizens.

Dr. Clay continued by stating real estate developers have lots of skin in the game. They come to the city with a preconceived notion to develop a piece of land as residential, commercial or industrial. Sometimes developers are profit seeking, not profit maximizing. It is up to the planning commission to decide if there is a higher and better use for a piece of property. If necessary, the planning commission can recommend general plan amendments that are best for that property for the next ten years. Property owner have rights and the neighbors have rights. There is a nuisance maxim that states that no one may use land in such a way as to interfere with a neighbor’s use. All developers must be treated fairly under the law. He continued by showing a picture of his family and stating cities are about people. Cities are contrived. We make the rules and we build the cities. Cities give people tools to improve quality of life. Families need quality housing. All government ought to be based on helping family lives. Springville has a high quality of life and one of the best Main Streets around. The buildings are very high quality. Is it nicer than we need? Do we really need a nice civic center, library and art museum? No, these buildings represent us and will represent us long after we are gone. We value us that are what public buildings say. Thomas Jefferson said

“Houses, grounds, and towns should be planned with an eye to the effect made upon the human spirit being continually surrounded by a maximum of beauty.” – Thomas Jefferson "Mean and hideous surroundings, in other words—surroundings that reflect a low, commonplace or eccentric taste—have a debasing and dehumanizing effect upon the spirit.” –

Dr. Clay stated cities morph from urban to suburban. He related an assignment to assess the travel time from an office building in Lehi to the freeway. Administrator Fitzgerald added that the state is bailing out Lehi because businesses threaten to leave the state by renovating Highway 92 to accommodate growth, costing $96 million.

Dr. Clay has met with planning staff at every city in the state. He considered Orem planning staff the best in the state. Planners should see future problems and do something, but it is hard when a guy is yelling. Planning staff need to know that the council and mayor will not fire them when they reject a poorly planned project.
Councilmembers and mayors are experts in their field, but city staff is the experts at running a city. Administrator Fitzgerald added that Springville staff feels comfortable in the relationship with council. Councilmember Nelson stated that he wants staff to feel comfortable to deliver accurate information to council. Dr. Clay continued by saying great people is not replaceable. Reassure staff that you are mature enough to have them disagree with you and not get fired. Council needs to understand that sometimes saying “yes” may have much worse, long-term repercussions than saying “no.” Once done, it can rarely be undone. Buildings and roads last for decades and sometimes centuries. Most really bad things happen when those at the wheel refuse to listen to the sound advice of their subordinates. Balancing flexibility with predictability is challenging. Staff endure low security and nationally lower pay because they love Utah and they want to raise their kids here. He concluded and asked if there were questions. Councilmember Nelson asked for some of the slides. He asked if we should be more proactive on attracting a big box store. Dr. Clay answered each official wants to do great thing in each election cycle. Sometimes the right thing is to wait. As land becomes scarce in this county, what do we do with that precious remaining commodity that is our city? Smith’s will be there for 50 years. No development should come to Springville without covering the cost of the services Springville will provide to it. As a councilmember, sometimes your career is defined by what did not get built.

Dr. Clay said he would like to see a development agreement between Spanish Fork and Springville to share sales tax instead of compete. The governor agrees and asked Dr. Clay to convince the mayors. Councilmember Nelson stated he has a shorter term goal for his children to live here. Dr. Clay agreed and stated to be flexible when a surprise opportunity like Wavetronix comes along. Councilmember Miller stated that staff has been pushing hard for business for a long time. Council has received a few micro rezoning requests and piecemeal rezoning and asked for Dr. Clay’s perspective. He wants to draw the line, but be developer friendly. Dr. Clay loved the questions. He started his answer by stating Springville is not the anti-developer city. Developers play a game. They tell every city council in the county that they are “the hardest city to work with.” He related a story from a day when he was sitting on the planning commission and a developer said Springville was “the hardest city to work with in Utah County.” Dr. Clay heard the same developer say the same thing in an Orem council meeting, three weeks before. Developers play a game claiming each city is difficult. Councils and mayors feel self-conscience and want to fix it. Dr. Clay says do not fall for the rhetoric of the developers. They say the same thing to every city.

His second point is to treat every developer the same. If a city spots zones for one developer, they must spot zone for every developer. Keep a balance if a special opportunity comes along. A developer knows how to build ‘x’ where the city asks for ‘y’. Developers make more money on residential and office space. Springville looks good for retail development. Retail will change in our lifetime. Administrator Fitzgerald stated staff needs clear direction for council for what their long term vision is. Staff will deflect the developer questions before it gets to the council. Dr. Clay added there is a difference between a density change and a use change. Use changes are always much more significant. Small density changes are allowable in sizeable amounts of land. Councilmember Jensen added the West Fields Overlay is a great example of that. Dr. Clay agreed that the West Fields Overlay is successful because most developers in the west fields have asked for it. He complimented former Community Development Director Fred Aegerter. Administrator Fitzgerald agreed stating the West Fields Overlay is known and praised nationally. Dr. Clay concluded by stating the overlay is not spot zoning. Councilmember Creer asked about property owners on a longer development plan. Dr. Clay stated a property owner needs motivation to sell. The largest property owner in Springville and up and down the Wasatch front has no motivation to sell. He continued by stating a developer has one variable in their plan, and that is land price. Property owners are waiting for the market to meet their set price. Mrs. Snelson asked about development on the east side of town. Dr. Clay answered higher density is planned for west of the interstate. The model predicts higher density is needed. No change to zoning on the bench or near the high school. He predicted Brookside is ripe for rezoning. Dr. Clay stated Springville needs entry level housing. Mayor Child added a recession changes any modeling. Dr. Clay agreed and cautioned council from overbuilding multi-family housing. He wants a diversity of housing styles, but not an oversupply of multi-family housing. Sometimes it is better for a council to wait. Some council sees a demand when there is an oversupply. Mrs. Snelson asked about greenspace. Dr. Clay answered walking distance parks are very important in multi-family development.

Administrator Fitzgerald adjourned the meeting at 8:48 p.m.

The meeting continued at 9:00 a.m. September 28, 2018 for breakfast with spouses. After breakfast, Mayor Richard J. Child presided. In addition to Mayor Richard J. Child, the following attended: Councilmember Christopher Creer, Councilmember Craig Jensen, Councilmember Jason Miller,
Director Stapley started his presentation at 10:30 am, September 29, 2018. He referred to the Springville City General Plan, approved in 2012 and supported by the previous council. He continued by stating flow, safety and a consideration for aesthetics are included in the General Plan. The objective he pointed to states:

- **Develop and maintain a connected circulation system of streets, providing convenient access within Springville, to neighboring communities, and the larger region.**
- **Provide a circulation system for non-motorized vehicles and pedestrians, using street rights-of-way, trails and paths.**

He asked the council for guidance in this area for future public works projects. Director Stapley provided examples of projects that need guidance from the council. He noted the Tintic railroad project will be a trail way once the railroads are combined. The UDOT interchange project at 1600 South will require a connection from Mapleton to that interchange and UDOT wants direction. Councilmember Jensen asked questions to clarify that UDOT is in charge of that project, but taking direction from Springville City. Administrator Fitzgerald clarified that there are several options and UDOT wants input from Springville. UDOT will take over 1600 South and the connection to Mapleton. North Mapleton needs a more convenient direct access to I-15 than through Springville. He asked where convenient access is on a list of priorities for this council. Councilmember Jensen stated council is looking at other options and is here to help. Administrator Fitzgerald explained that the former council prioritized commercial development. Director Stapley added that Springville can impact UDOT priorities. UDOT will take the cheapest most direct route to provide access to Mapleton. Councilmember Jensen clarified that UDOT will buy houses to build the access to Mapleton, not Springville City. Councilmember Snelson says council needs to tell staff recommendations for UDOT. Administrator Fitzgerald added that without input from Springville, UDOT will take the cheapest most direct route. Councilmember Nelson stated that this council needs to plan the 1600 South corridor right now. Councilmember Miller stated council wants to minimize impact, but any of the UDOT options will displace people. Director Stapley referenced a success story in the Brookside Drive and 400 South intersections. Councilmember Jensen agreed that 800 South is another example of success.

Director Stapley stated the city needs to give input or UDOT will continue without our input and the city will deal with the problems after. Councilmember Jensen added economic development on 1600 South is our priority. UDOT will decide on the Mapleton access route. Director Stapley asked the council about aesthetics, roadways, people, and getting to places. Councilmember Creer added that even with a general goal, we will not be able to accomplish it everywhere. Administrator Fitzgerald agreed and stated staff will return to council with questions concerning meeting when there are conflicts between projects and goals. He continued by stating multi-modal transportation is still a high priority goal as stated in the general plan. He asked if the current goals listed in the General Plan of flow, safety and aesthetics are good to keep in the plan. He asked if the council agrees with the plan which includes broader faster roads with central medians and larger park strips. Council agreed. Councilmember Snelson stated flow and safety are the priority with the 1600 South project. Administrator Fitzgerald concluded that the goals were in line with the priorities of this council. Councilmember Jensen asked to put buses at the lowest priority. Administrator Fitzgerald agreed and added the rail solution will include buses to an intermodal hub before the rail station is built. Staff and the mayor meet with UTA every other year. They collect a little more than $1 million dollars from Springville with only two bus routes. Councilmember Nelson asked about UDOT taking suggestions on 1600 South. Administrator Fitzgerald added that Representative Gibson, Mapleton and Springville all gave support to the project only if it connects to Mapleton. Mayor Child is only
interested in the interchange closer to Spanish Fork. Administrator Fitzgerald agreed and stated that Spanish Fork is much more aggressive at lobbying the legislature. Springville staff is more involved in lobbying than ever in its history and he asked council to consider building relations with the legislature and the Utah League of Cities and Towns. Mayor Child added that the interchange project is called the Springville interchange, not the Spanish Fork interchange. Councilmember Nelson asked about the strategies that support this objective. Attorney Penrod reviewed the General Plan. Administrator Fitzgerald concluded that our number one strategy under this objective is to maintain a relationship with UTA with a focus on rail stopping in Springville and associated mass transit development in southern Utah County. Councilmember Jensen stated that UDOT fails in the last mile; dollars should be spent on parking lots, not buses. Let people get to the rail station, not waste money on buses. Administrator Fitzgerald stated UTA is waiting for the next Federal money. Council and staff are focused on the general plan.

Mayor Child added that objective #2 is about trails. There are trails that go nowhere. He wants a work session on what trails to keep. Director Goins added his presentation is basically done and will be ready to present at a work session. Attorney Penrod asked about a timeline to complete the trail system. Administrator Fitzgerald added the timeline is in the general plan and will take decades. He stated Attorney Penrod wants to know when does this council want this completed. Councilmember Miller questioned, do we adopt the broader approach to the trails or abandon it and we never will get a complete trail system. He suggested the council do the best we can, going forward. Attorney Penrod stated we could have a vision shift that includes moving the trail to a sidewalk periodically. Councilmember Miller suggested doing the best we can without wasting resources. Administrator Fitzgerald added waiting for property to be available is one plan or abandoning parts of the trail and moving on. Councilmember Creer stated there are potentially hundreds of houses with trail easement conflicts. He asked if it is worth the effort to extend the trail system throughout the city.

Councilmember Nelson does not agree with abandoning an expansive citywide trail system. If there is a way to not abandon certain trails, we need to pursue other ways to complete the citywide trail system. Councilmember Nelson said we do not need a continuous trail from the canyon to the lake. We can link these pieces using sidewalks and roads and bypass the conflicts. Director Goins added this discussion is premature because the presentation has prepared will cover the entire system. Administrator Fitzgerald added that alternate connections and waiting for one or two properties will be part of the long term plan.

Director Goins stated that a walkable downtown would be one of the best ways to connect the trail system. Our downtown is pretty powerful. He asked the council what the big idea for downtown should be. He interjected the city is managed by an impressive group; Administrator Fitzgerald, Attorney Penrod and Director Riddle. He continued by stating the infrastructure is here and asking what are the inhibitors to downtown development. He asked about flexibility with land uses; meaning keeping Main Street historical or adding mixed use zoning. He listed economic development tools that apply to our downtown like Redevelopment Area (RDA), Economic Development Area (EDA), Community Development Agency (CDA), Community Redevelopment Area (CRA), Business Improvement District (BID) or a microenterprise loan fund.

Councilmember Nelson asked for recommendations from staff, then Council can discuss what to implement. As an example, he suggested Springville downtown should look like Park City. Director Goins stated that Allen’s is the most important corner in the city right now. As council answers these questions, staff will act on those recommendations. He asked if we change the existing zoning and do we create an area plan. He continued by saying the city has a general plan. Council can formalize the recommendations into a new small area plan for the downtown. The sign districts are an example of areas with specific rules. Director Goins suggested designing a smaller plan that can focus on the south part Main Street. He does not want to create a plan unless the property owners are involved.

Administrator Fitzgerald said based upon the comments; he surmised that council wants to continue following the existing Economic Development Plan which includes:
• **Make sure zoning is in place to maintain the current look and feel of Main Street from Center Street to 3rd South, continuing to 4th South.**

• **Explore the possibility of an incentives program that make financial sense to the city.**

• **Look to increase parking with a catalytic project to improve 300 South to 400 South.**

He continued by specifying that the city is looking to transition the Allen’s property to continue the look and feel of Historic Main Street through 4th South. He explained that the Economic Development Plan divided areas based on the look and feel the committee wanted to maintain. Attorney Penrod asked if this plan applies to 3rd South to 4th South. Councilmember Snelson added the Economic Development Committee intended to remove the front parking lot and bring a development out to the sidewalk to maintain the history look of Main Street through 4th South with the same architecture style.

Councilmember Nelson asked what Springville City has done to encourage the Allen’s property owners to develop. Director Goins said the interest so far is not encouraging, which are all focused on using the existing building. Councilmember Nelson asked if there is anything the city can do legally. Director Fitzgerald answered the economic development plan is already in place which strongly encourages zoning changes to encourage the wanted use. Nonconforming uses are established all over town. Councilmember Nelson asked about zoning and a developer suggesting a change. Administrator Fitzgerald added there are some projects that should be incentivized. Administrator Fitzgerald added 20 years ago there was a plan to create a Redevelopment Agency with the authority to take a property and insure that the correct development happens. The Downtown Business Alliance brought improvements to Main Street. The city could approach the owners of Allen’s and propose development with incentive that would encourage buyers. It could encourage other Main Street businesses to improve. Councilmembers Nelson and Snelson added that Lemon and Sage is the exact the type of business Main Street needed.

Administrator Fitzgerald said council may want to invest money for long term benefit to continue the small town feel through 4th South on Main Street. Councilmembers Nelson and Snelson stated the investment would be a benefit gain to the city, creating a walkable downtown. Administrator Fitzgerald said that parking for downtown businesses could be purchased by the city in the Allen’s parcel. Director Goins surmised the suggestions of the Council:

• landscaping and a gateway architecture at 400 South and Main St

• buildings up front, parking and landscaping to buffer uses on 100 West

Councilmember Miller suggested staff working on the commercial corridor for I-15. Director Goins said it is worthwhile work. He suggested there are conflicts in some of the plans. An area plan would set the tone. Councilmember Jensen added that one element lacking in downtown is people and residential development is necessary for a walking community. Administrator Fitzgerald agreed and reminded the North Main and South Main corridor in the Economic Development Plan include mixed use development. Attorney Penrod reiterated the Economic Development Plan has options for appropriate residential housing downtown. Council agreed that this is a good direction especially when working on the Allen’s parcel.

Director Goins continued his presentation by referring to his former job in Logan and some sidewalk improvements and policies that included trees, signage, and street furniture in a business improvement district including a ‘z’ access with a sidewalk under the road. He continued by suggesting a land use policy discussion and north and south gateways. The south part of Main Street feels like a dead end. The north part of Main Street has a problem with speed. Economic development would benefit with a speed limit of 35 mph in the North Main Corridor. The areas are not planned, they just happened.

Administrator Fitzgerald started his presentation on Economic Development. Councilmember Miller asked about the higher level goals and suggested adding proactively seeking growth to our planned strategy for economic development. Administrator Fitzgerald clarified that this council wants to add
proactively seeks economic development and effectively plan for growth to the economic plan. He asked what council is looking for in economic development for the community. He continued by asking what is economic development and what outcome are we seeking. Councilmember Miller answered we have very little control over economic development, but he defines it as targeting the types of businesses or activities we want in the city and be as open and inviting as we can. Utah County the state and Mountainland Association of Governments (MAG), and some neighboring cities are focused on jobs. Administrator Fitzgerald stated that traditionally economic development starts with jobs. Cities need jobs and retail follows. Sales tax dollars will still come from the state. We don’t need much focus on jobs because we are the hottest market in the country for jobs. Attorney Penrod asked if Springville is attracting the right jobs since we are highly ranked for manufacturing jobs. Most Springville residents people work in Provo. Administrator Fitzgerald stated Wavetronics came because they liked our look. Retail will come to Springville the same way. Holiday Inn and Microtel located here in the past few years. He continued by stating retail businesses will do the market analysis and locate where the research tells them. Local start-ups like Wiggy Wash and Orange Peel came to Springville during the economic slowdown. National chains were not coming because of their studies. He concluded by asking council if staff was pursuing economic development the way they want and what is its priority. Councilmember Snelson answered if we need revenue to support the wanted services; we need to establish the tax base we need. If Springville needs jobs to bring the residents that will bring the businesses the residents wanted. Administrator Fitzgerald asked if we lost property tax when Burger King left. Most residents will not drive to Spanish Fork for a Whopper. That part of economic development is difficult.

He continued by stating he tracks per capita sales tax growth in cities compared to Springville without incentives. By his calculations, 100% of the sales tax from the Canyon View development in Spanish Fork, for a total of four years, is going back to the developer because that was the incentive offered by Spanish Fork. Spanish Fork built the entire infrastructure for that development and the Costco development. Half of Springville sales tax comes from our population. Spanish Fork population grew faster and received 1.5% sales tax percentage from the state while Springville only got .75%. If increasing our sales tax revenue is our goal, increasing our population would improve our piece of the pie. Springville receives increased sales tax when the entire state increases in population. As far as economic development responsibilities on staff, he explained he is taking most real estate lead calls, Director Goins talks to prospective businesses and Rod Oldroyd takes care of existing businesses. He believes economic development will come with the new jobs. So far, he asks why spend 20 million dollars on incentives, when a business is already going to come. Councilmember Nelson agreed and clarified that staff should continue to be proactively pursuing economic development. Councilmember Jensen stated certain areas like the Main Street gateways at 1400 North and 400 South should be incentivized.

Administrator Fitzgerald asked to explore our growth areas that already have economic vehicles like the Olds/Christensen property, and development between the tracks near 1750 West. Options for the Council to consider Community Reinvestment Area (CRA), tax breaks, infrastructure, improving the look of the city and marketing. Director Goins stated the owner of property west of the freeway in the RDA is letting it develop, but the uses are warehouses and office, not economic engine uses attractive for the RDA money. Councilmember Creer added our residents are leaving Springville for retail and entertainment to increase our tax base. He wants to encourage retail and entertainment businesses to come to Springville to keep the sales tax here. Mayor Child stated business will come if they want. Mayor Clyde tried to attract a Larry H. Miller Megaplex to Springville. Administrator Fitzgerald added that it seems like Spanish Fork incentives are going back to Woodbury, the developer, not the tenants or retail businesses. Same with the Olds property in Springville. The developers are not sharing incentives with renters.

Director Riddle added that the general plan includes in the third objective under economic development—continue to encourage where leakage occurs. He asked for clarification on specifics the council wants. He stated some residents report they prefer driving to Spanish Fork for retail rather than
see the traffic come to Springville. He said it is a service level question. Councilmember Jensen agreed asking how much does Walmart cost the city when police are called many times a day for shoplifting.

Director Goins stated there are companies that study city corridors for retail leakage. Staff has access to the information that retailers use to decide where to locate. Uneducated consumers wonder why development increases in Spanish Fork.

Administrator Fitzgerald said pad sites are here and fast casual restaurants are coming. Over half of the top ten sales tax producers in Springville are new retail businesses arrived in the last few years, include the State liquor store. He concluded that the municipality for any delivery location should collect the sales tax per Utah state code.

**Discussion continued during lunch at 12:27 p.m. on Friday September 29, 2018**

Director Riddle addressed policy questions concerning property tax. He asked council if any members are philosophically opposed to raising property tax to support or enhance general operations. Councilmember Snelson asked about the history of raising property taxes in Springville. Administrator Fitzgerald answered that other than the general obligation bonds for the library and the CRC, Springville City has not raised property taxes for the general fund through the truth in taxation process in over 20 years. Director Riddle stated a general obligation bond, voted on by the residents is a separate item that goes away when the debt is retired. Councilmember Jensen stated that is better than raising property tax. Mayor Child asked if the bond for the library is paid off, can a city continue that tax. Director Riddle stated yes, many cities adopt that method through the truth in taxation process. He stated the tax would stay the same, but it would move the revenue from debt service to general purpose. Mayor Child asked if that happened last time the rate was raised. Director Riddle answered he does not even know the last time the tax was raised. Administrator Fitzgerald answered it predates him and must be in the early 1990s. Councilmember Jensen added property tax goes up when the school district asked for a raise. Director Riddle agreed and said school districts are less ashamed of raising taxes than municipalities. Councilmember Jensen said it is all the same to tax payers. They blame the city when the tax rate goes up. Director Riddle said the school district is the largest portion of the property tax. The city collects less than 20%. He said, the city collects the same revenue unless the city adds houses and experiences growth.

He explained that the revenue for the general fund comes from property tax, sales tax, but not income tax because local governments in Utah are not allowed to levy income tax. Sales tax is volatile as the economy changes. Society changes to a service oriented economy some of which are exempt to sales tax. Long term, our reliance on sales tax could become a problem. He asked the council, philosophically are you opposed to raising property tax. Other cities are tying inflationary costs of general services to property tax in small increments. Councilmember Jensen asked if use taxes like a RAP (Recreation, Arts & Parks) tax could be used. Director Riddle answered yes, other taxes are used to support general operations.

Councilmember Miller asked about the formula used to calculate property tax rate. He asked if the rate drifts down based on growth. Director Riddle stated that when property values are increasing, the property tax rate decreases to maintain the same amount of revenue from property tax each year. Councilmember Snelson asked if the county changes the tax rate, does Springville collect the same amount or more. Director Riddle answered that when a municipality goes through the truth in taxation process to make a policy change in the rate, then that municipality will receive increased revenue.

Administrator Fitzgerald said that property tax revenue received by the city on your house should remain the same from the day you bought it. He added the county adjusts values of the houses by neighborhoods, not the entire municipality at a time, so each property can have its tax go up and down, but the city receives the same dollar amount each year. Director Riddle agreed and added that the county re-assesses the value of each property on a rotating basis. Administrator Fitzgerald added that the school district’s portion of the property tax can change based on the county assessment of market values in
Payson. Putting an addition on your house is the only way to increase the dollar amount of the tax received by the city. Director Riddle said property tax support city services, but the cost of those services is always going up and the stagnant tax revenue is not. Because of inflation, property tax is a receding tax and the only way to keep up is to add houses to the city. Administrator Fitzgerald said when a city like Orem stops growing, there is no way to keep up with the cost of services because of inflation. Councilmember Nelson asked if there is a movement to change that. Administrator Fitzgerald answered yes, but the state legislature questions that. Director Riddle said that relying on sales tax for city services means the budget will be cut during a recession. If the value of a house goes down, like in the recession, the county will adjust the property tax rate up so that the dollar amount to the city stays the same as the day the house was purchased.

Councilmember Miller asked about how much tax increase is recommended. Director Riddle stated funding services should be tied to revenue through taxation. Councilmember Miller asked if tying the property tax rate to services would be a yearly truth in taxation responsibility. Councilmember Jensen asked why not use a RAP tax. It would be more equitable because property tax applies to land owners and an increase in sales tax would be for the demographic of our nation that uses the services. Director Riddle stated RAP tax is limited. Councilmember Miller said to just use the RAP tax to plug the hole. Councilmember Jensen stated it is obvious the public does not understand property tax. He asked why we would want to poke the bear. Administrator Fitzgerald answered the simple message other cities have used is that an increase in property tax rate is an inflationary increase. Utility rates have increased by 1% or 2% periodically with inflationary increases. Councilmember Jensen says that is a fair tax, but the underlying feeling is property owners have tenants and cannot pass on the rate increase by increasing rent. He suggested taking cost out of the system by going direct to the source with use taxes. The people who are using the service are paying for the service. Administrator Fitzgerald stated that between RAP tax and use tax the service, the museum, library and recreation departments, will have a target to aim for.

Director Riddle continued by stating RAP must be on the ballot and renewed in ten years. Property tax changes are required to go through the truth in taxation process, but inflationary slight changes in property tax should succeed. Attorney Penrod asked if any cities failed to get RAP taxes renewed on the ballot. Director Riddle noted Payson and Spanish Fork have RAP tax on the ballot this year. Mapleton has kept the rate the same as values increase in the last five years. Councilmember Jensen noted the League of Cities is on board, but he is philosophically opposed to property tax because it is not fair. Councilmember Miller concluded that Director Riddle is suggesting a property tax increase, tied to the inflationary index every year. He continued by stating it is a great idea and during an election year. Director Riddle answered it is too late to put it on the ballot this year. Administrator Fitzgerald stated there are 53 cities, special districts, water districts and school districts seeking to raise property tax on the ballot this year or about 10%. Attorney Penrod asked about the financial forecast without a property tax increase. Councilmember Miller answered the city is already in trouble because inflation moves faster than growth. Director Riddle stated that we are slowly structurally digging a hole right now as the city approaches build out. Administrator Fitzgerald stated the hole is hidden by efficiency gains and utility transfers which is a source of revenue. Director Riddle said possible revenue sources are:

- income tax (off the table)
- sales tax (big chunk, but volatile)
- property tax (no one ever wants to raise)
- transfers (profitable electric utility under siege from the legislature)
- fees (Director Riddle added that Director Stapley suggested a road fee for maintenance. Pleasant Grove is being sued claiming their new road fee is a tax that did not go through the taxation process)

Director Riddle continued by stating fees are generally tied to services, not maintenance. Administrator Fitzgerald added the state allows municipalities to collect taxes or fees, but only in a certain fashion. Attorney Penrod added Pleasant Grove has asked surrounding cities for help with the lawsuit
concerning their new road fee. Councilmember Nelson asked Councilmember Jensen what alternative there is to inflationary property tax increases. Councilmember Jensen prefers RAP tax because it is fair, based on services used and this is a recreation city.

Administrator Fitzgerald said a 2% increase in property tax will generate approximately $60,000 in revenue. Director Riddle explained RAP tax defined under state code as a local option tax and must be on a general election ballot. The city must notice the county before budget season next year. It is 0.10% applied to the local option side of sales tax. He estimates it would produce approximately $450,000 per year. Under state code, it is actually called Recreational Facilities, Botanical, Cultural and Zoological Organizations tax. Organizations can apply for grants to provide those services. Orem collects about $1.6 million per year and has used it for about ten years and applies half to recreation and half to arts to appeal to a broader base of residents. Outside organizations, like the Springville Playhouse can apply for a grant, like SCERA, Hale Theater and the Storytelling Festival. Administrator Fitzgerald added part of the marketing of a RAP tax would be to ask if the tax offsets existing costs or enhances services.

Councilmember Miller asked if an ongoing tax could be applied to specific projects. Councilmember Jensen agreed and added a strategy is to announce that the city is not raising property taxes. Director Riddle said that it is a good short term strategy until the specific tax is done. Councilmember Miller added a long term tax needs to be justified. Administrator Fitzgerald interjected that instead of justifying a long term tax with a project, small inflationary increases to the property tax would cover paying for services we offer today. A new project would take on new maintenance expenses, not permanently budgeted. Director Riddle said an advantage of the RAP tax is it is tied to sales tax so shoppers from outside of this community are paying for it. The down side to RAP tax is it comes up for re-election every ten years. Less than 20% of property tax goes to the city. Councilmember Snelson said it is kicking the can down the road. Administrator Fitzgerald said other communities are using different revenue strategies. Citizens in other communities are stopping utility fee transfers. Orem citizens did the same thing and services were cut for a year and they had to raise other fees. It took 3 years to resolve the budget including early retirements and no hiring. Director Riddle asked council if it matters how our tax rate compares to Spanish Fork, Mapleton and Provo. Councilmember Jensen stated he thinks as demographics change, property taxes are unfair.

Administrator Fitzgerald stated that general obligation bonds are different. As growth comes the assessment per tax payers goes down. Without including the general obligation bonds, (Library CRC) our tax rate is below the county average. With the general obligation bonds, ours is one of the highest. As growth comes and other cities approve general obligation bonds, our comparison to other cities will go down. Director Riddle said it is not fair to compare to Springville to other cities because we have a nice library and a nice recreation center. IF a resident moves to Spanish Fork they need to drive to Springville to enjoy the library or the rec center. Soon Spanish Fork will ask for general obligation bonds to build a rec center and a library and they will have a much high tax rate compared to Springville. Administrator Fitzgerald added Spanish Fork will need to build a city hall and a library eventually. He asked if the council wants the RAP tax on the ballot this next year or in two years. Councilmember Miller said next year. Councilmember Jensen agreed as long as the mail in ballots works better in the next election. Director Riddle said RAP tax does go through the election process every 10 years. Councilmember Jensen said if the RAP tax is voted down in 10 years, the city can then raise property tax to cover inflation of the cost of current services. Councilmember Snelson suggested a RAP tax now, then if needed, increases property tax later. Mayor Child agrees. Director Riddle concluded by saying that he believes in broad bases and low rates and this is of the most effective taxes on elective services and everybody pays a small amount. Council concurred.

**Director Riddle turned the time over to Director Neel and Attorney Penrod for a presentation on Parks**

Director Neel reviewed the General Plan for Parks and asked council what they want to see (General Plan §6.11). He asked the philosophical question, why parks, campgrounds and dog parks. He stated
Springville City owns Camp Jeremiah Johnson. Campground revenue was $140,000 last year. Canyon Parks alone cost $330,000 last year so it is subsidized quite a bit. Dr. Creer and Dr. Hewitt donated the property for the new youth campground. 33% of our canyon park users are residents. Councilmember Nelson recommended adding a parking fee to Jolley's Ranch. Director Neel recommended a pump park and asked why we have a skate park. He showed a park in Carmel, Indiana referred to him by Councilmember Snelson. He noted that Child Park playground equipment was replaced at a cost of $52,000. He asked how we want to utilize our park space. Mayor Child added specialty parks can collect revenue through donations. Councilmember Nelson asked to make sure our parks are maintained and up to par. Attorney Penrod said impact fees and maintenance funds are two ways to pay for parks. He asked council if they are happy with what they see in our parks and what the vision is ten years from now. Administrator Fitzgerald stated some cities use special revenue districts to maintain parks, which is a property tax. It can create lighting areas, and nicer amenities. Councilmember Jensen stated we get a good return on our investment on certain parks and other parks still require maintenance like lawns mowed, but no one ever uses them. He requested usage metrics on each parks. Even though the skate park is unappreciated, it gets used. He suggested turning unused parks into green space. Director Neel stated his staff is rating each park based on usage, giving them a score of 1, 2 or 3. Attorney Penrod said staff can adjust the general plan requirements and diversify the parks we build. Councilmember Nelson asked for best practices and success rates for the parks. Attorney Penrod added that a 3-acre park is used the same as a 7-acre park, but the cost is different. Administrator Fitzgerald refocused the discussion and stated staff will make value decisions to limit maintenance at less used parks like Holdaway Park to afford the maintenance at Bartholomew Family Park. He is asking directors to collect this information for council. He has scheduled a new series of meetings to help directors start putting together information and said keep our feet to the fire. If council is interested in specific data and information, request it.

Mayor Child agreed that the highly used parks need to be maintained. He said that less used parks is changed to lower ongoing maintenance. Councilmember Creer asked to make sure each area of the city has a park that is well maintained. Administrator Fitzgerald said the council can decide the distance that is walkable and add it to the master plan. Councilmember Snelson asked about what happens to parks that are not as attended. Attorney Penrod answered some parks will be mowed less and have less equipment. Director Neel added there is $1.9 million in playground equipment in Springville that needs to be replaced every 15-17 years for safety purposes. Councilmember Jensen asked the cost and return on the Canyon Parks. Councilmember Nelson suggested monetizing the Canyon Parks. Mayor Child said Frisbee golf is attracting customers from all over the world. Councilmember Jensen added paintball is also popular. Administration Fitzgerald asked if council is open for dynamic prices, meaning more on Friday night than Tuesday night. Councilmember Nelson suggested monetizing Frisbee Golf. He said those parks are the best parks in any city around. Councilmember Snelson asked about Camp Jeremiah and which part is leased to boy scouts. Attorney Penrod stated any part of the land that is usable is owned by Springville City. Councilmember Miller asked for polling information on specific park desires. He requested finishing Community Park to get some investment back from that. Director Neel concluded by stating dog parks are the biggest request. He is collecting metrics on parks and will present to council in the next few meetings.

Director Riddle set up posters on the table for his presentation and asked council to read each and add general fund projects that fit in each area to show where to allocate resources.

The division of projects included:
- Economic Development
- Transportation and Circulation
- Council Defined Projects
- Community and Facility Services
• Land Use and Properties

Council was given Director Riddle Bucks and the task of assigning one-time money to some of these ideas. Council discusses each possible project and applied pretend money to each poster/envelope, indicating priority projects and willingness to finance. Some of the projects included roundabouts, parks and economic development land purchases.

Administrator Fitzgerald reported that the Pole Creek Fire is predicted to grow into Maple Canyon. Councilmember Jensen asked if federal relief is coming to the city. Administrator Fitzgerald reported that total expense for the Pole Creek Fire will exceed $20 million. In wrapping up the Budget Retreat, Administrator Fitzgerald asked council if there are pressing issues that citizens are approaching each member with.

Councilmember Miller inquired about bringing high speed internet to the city. Councilmember Snelson reported residents and the owners of UTOPIA are asking about bringing UTOPIA to Springville. Administrator Fitzgerald answered that basically it would cost the city $2500 per home for infrastructure or about $30 million. Most internet companies require the city to be the debt holder and the infrastructure provider. Councilmember Nelson asked about Google Fiber and Air Switch. Administrator Fitzgerald answered there are two fiber loops. Council concluded to not go into debt for internet. Technology is changing too fast.

Councilmember Jensen asked about action items. Administrator Fitzgerald said about a page of action items will be added to Recorder Crane’s action item list. Attorney Penrod added changing the mission statement to the action item list.

Director Riddle concluded his presentation after totaling the Director Riddle Bucks in each envelope. He listed the projects that received positive feedback from the council.
• Fire Station 2nd story expansion
• Parkland procurement and development including a mountain bike park

Administrator Fitzgerald stated past council said no general funds for procurement and improvement. This current council concurred general funds are ok for this.
• Purchasing Allen’s property
• Speculative land purchases
• Downtown beautification
• Trailhead acquisition
• Downtown Alliance matching grant program
• City entrances
• 4th north connector
• 2080 East Center Street connector
• 1600 South investment
• More bike lanes and pump park
• Spring Creek Cherrington park
• Grade separated bike lane with a 2-inch curb and 2-4-inch curb for pedestrian

Council was split or against on these two projects
• Canyon Road roundabout not interested
• Small business loan program split not interested
• Trail property acquisition

Councilmember Nelson asked why a small business loan program is beneficial. Director Riddle answered that Provo offers small business loans through its redevelopment agency. Essentially it is a revolving loan fund for start-ups to borrow money at low interest. Councilmember Snelson asked if there are regulations. Director Riddle answered grant easier because of the administrative hassle of loans. Councilmember Nelson added that positive outcomes are our goal and if there are successful
businesses downtown, that is a successful use of a small business loan program. Councilmember Jensen agreed with grants instead of loans.

- Director Riddle stated the council was split on the project of purchasing trail property right of way acquisition.
- 8th east roundabout had slight opposition
- Bartholomew park trail split council not interested
- Library second story expansion not much support

Administrator Fitzgerald concluded by stating this is one time capital funds and asking council if they want the spending to happen quickly or move items into the next July’s 2019-2020 budget year. Councilmembers Creer and Snelson stated Allen’s, downtown and entrances are a big deal and they recommend incentives and property purchases.

Administrator Fitzgerald concluded the Budget Retreat by stating staff has a sense of concerns and priorities of this council and staff will get to work.

CLOSED SESSION
The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated 52-4-205

There was no closed session.

ADJOURNED BY MAYOR CHILD AT 3:54 P.M. ON SEPTEMBER 28, 2018.

This document constitutes the official minutes for the Springville City Council Planning Retreat held on Thursday September 27, 2018 and Friday September 28, 2018.

I, Jennifer Grigg, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Thursday September 27, 2018.

________________________________
Jennifer Grigg, Deputy City Recorder