

Minutes of the Hurricane City Council special meeting held on March 23, 2022, in the Council Chambers at 147 North 870 West, Hurricane, Utah at 6 p.m.

6:00 p.m. -Call to Order

Mayor Nanette Billings welcomed everyone to the meeting.

City Council Members Present: Mayor Nanette Billings and **Council Members:** Joseph Prete, Dave Sanders, David Hirschi, Doug Heideman, and Kevin Thomas.

Staff Present: Planning Director Stephen Nelson, Assistant Planner Fred Resch, City Manager Kaden DeMille, City Recorder Cindy Beteag, Public Works Director Mike Vercimack, Ash Creek Sewer District Superintendent Mike Chandler, Water Superintendent Ken Richins, Dallon Wadsworth, Street Superintendent Weston Walker, Power Superintendent Scott Hughes, Parks Superintendent Darren Barney, and Chief Lynn Excell.

Prayer

Led by Liz Cummings

Historical Thought and Pledge

Albert Gilman

Public Forum – Comments from Public

Jason Ballard quoted 2019 Senate Bill 228.

Michael Hirschi has researched PIDs extensively in the past weeks. Mr. Hirschi believes the PID will be a burden to the citizens. When the City approves a PID, the City must secure the bonding and financing, which should be the developer's cost. Mr. Hirschi reported that some cities are increasing the bid fee to over \$100,000.

Richard Hirschi feels that if California or the Federal Government is doing this, then Hurricane City should not be doing it. Mr. Hirschi expressed concern about the drought and how this will increase water use.

Darin Larson discussed what he thinks are the pros of the PID. The PID helps the City plan infrastructure responsibly. Two of the PID's on the agenda tonight include water tanks for the city. We are not going to stabilize housing costs without more supply. The PID will not slow down the growth, but it will properly manage it.

OLD BUSINESS

1. Consideration and possible approval of awarding the **bid to purchase and install bleachers at the Hurricane Equestrian Park** - Darren Barney

Mayor Billings reported that this item was approved during the City Council meeting held on March 3, 2022. However, the quoted amount was incorrect. Darren Barney reported that the initial bid was requested for two sets of bleachers, and the quote received was for only one. The company did offer an additional discount for the second set of bleachers. The proposed amount for two sets of bleachers is \$345,650.

Doug Heideman motioned to approve \$345,650 for the bid to purchase and install bleachers at the Hurricane Equestrian Park. Seconded by Dave Sanders. Motion carried unanimously with David Hirschi, Joseph Prete, Dave Sanders, Kevin Thomas, and Doug Heideman voting aye. Mayor Billings discussed the challenges the City Council is facing. It is essential to recognize the needs of the community. There is not enough housing inventory in Hurricane City, which can only be addressed by having more available housing. Water is another issue that the City Council is consistently reviewing. It is important to note that the zoning and density for this project are already approved. This discussion is about funding the PID's.

2. Consideration for adoption of a **resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 1** as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters

Karl Rasmussen with Pro Value Engineering presented Sand Hollow Mesa PID 1. All three of the Sand Hollow Mesa PID's on the agenda are funding the interchange and the master-planned roads, and they have increased the funding amount for the public safety buildings. Josh Romney with the Romney Group reported that when the zoning and density were approved for development in this area, the Public Works Department initiated the PID discussion. The Public Works department requested improvements for the entire bench area. These improvements are a substantial financial burden for the developer. If the PID is not approved, the developer will need to sell to a public company. Public companies develop as fast as possible, and the PID will build slowly. Brennan Brown reported that extensive effort and several revisions took place to create a governing document that benefits all involved parties. The PID funds the interchanges, regional roads, trails, and parks.

Kevin Thomas reported that PIDs had weighed heavily on his mind since his election. Initially, he feared PID's because he did not understand them. The City Council has spent a significant amount of time researching PID's and reviewing the documents. He has read all the provisions listing what the PID will provide and does not have any problems with it.

Joseph Prete has several concerns. He questions whether PID's are necessary. He does not feel that this will solve the housing shortage. Is this a good policy, and is it good for the city? Inevitably this increases growth, adding more strain to the water supply. He likes the concept previously presented by Balance of Nature and the Romney Group. Initially, there was an

understanding that these groups had the money to complete this project. Now the costs are being shifted to the taxpayer. Mr. Romney reported that the initial offsite cost was three million dollars. The Public Works Department initiated the PID discussion. The offsite cost to increase the project to a regional size is over thirty million dollars. The Romney Group does have the three million for the original offsite price. People that purchase a home in a PID pay higher taxes. These are the taxes used to build public safety buildings. Citizens that do not live in the PID do not pay taxes for the public safety buildings in the PID.

David Hirschi is concerned that the taxation is not fair to future homeowners. It is unclear how this will or will not affect the growth rate. Mr. Hirschi is worried that approving the PID's will open the door for more zoning change requests from other developers. Mr. Brown stated that people are not forced to live in the development. They will live here because they want to, and the taxes are disclosed to the prospective buyers.

Dave Sanders questioned what happens with excess money after completing the project. Mr. Brown explained that the governing documents state that any surplus money remaining after all the improvements are achieved will go back to the Council City to determine where that money goes.

Councilman Prete asked what happens if the funding is insufficient to complete the project. Randy Larson with Gilmore Bell stated that the PID must build the minimum amount of infrastructure required by zoning for their density, and any other shortfalls are at the developer's expense.

Doug Heideman has also spent much time studying this. Citizens have asked him why taxes are increasing to pay for the PID. It seems there is much misinformation about PID's. We are not out of water, and we can do a better job conserving water. We are only using 53% of the underground water. There is a housing shortage, and we need more housing supply. We should not pass by this opportunity.

Kaden DeMille reported that staff had spent a tremendous amount of time reviewing the documents. Mr. DeMille is concerned because this is an unproven financing tool for Utah. It is essential to take extra caution when considering this. The PID will expedite the development process, and the City will have to increase staff. If there is not enough revenue to pay for additional employees, raising property taxes for all the residents could be necessary. Mr. Rasmussen proposed working with the City to establish a fee schedule to cover the cost of additional employees. Mr. Romney stated that there is no affordability mechanism in the City. They would like to contribute to the solution of affordable housing and proposed adding 100 units of attainable housing.

Dusty Wright is a real-estate agent living in Hurricane. The price to live in Hurricane needs to be more affordable, and we need more housing to make prices more affordable.

Michael Hirschi reported that the citizens are not against growth, but we are against government involvement. The developers should pay for the development and take on the risk. Kelby Iverson thanked everyone for their excellent work. Mr. Iverson believes that there are too many unknowns. The City Council represents the citizens, and the citizens do not want this. The City has grown as a rural community, and this will bring urban growth, which is not what the citizens want.

David Hirschi feels that there are too many unknowns, which is a considerable risk.

Councilman Thomas agrees that there are unknowns both ways. He is against the growth, but the zone changes are already approved. Growth is coming no matter what. Denying the PID will not stop or slow growth. This is a discussion about the best way to fund this, and it is an opportunity to bring developers together with a standard set of goals and regulations. The developers are offering affordable homes, which the City needs. We will get better infrastructure with the PID. Councilman Prete likes the Balance of Nature and Romney Group concept. He appreciates the attainable housing offer. The PID transfers control to the government body and could tie our hands. Councilman Sanders feels that if these developments are sold to bigger inventors, the problem will worsen.

Kevin Thomas motioned to approve, pending the developer agreeing to provide affordable housing as defined by the City and PID written in an amended development agreement across the project, a resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 1 as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters. Seconded by Dave Sanders. Motion carried with Dave Sanders, Kevin Thomas, and Doug Heideman voting aye. David Hirschi and Joseph Prete voted nay.

3. Consideration for adoption of a **resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 2** as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters

Randy Larson explained that District No. 1 includes the Utah Department of Transportation (UDOT) interchange and safety buildings. Districts 2 and 3 include the UDOT interchange but do not include the public safety buildings.

Joseph Prete motioned to approve, subject to the City and Developer amending the development agreement to accommodate at least 100 attainable homes as part of the rollout of the Sand Hollow Mesa project, a resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 2 as an

independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters. Seconded by Kevin Thomas. Motion carried with Dave Sanders, Kevin Thomas, and Doug Heideman voting aye. David Hirschi and Joseph Prete voted nay.

4. Consideration for adoption of a **resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 3** as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters

This PID is the same as No 1. Except for the public safety building and the UDOT interchange.

Joseph Prete motioned to approve, subject to a cap of 28 million, a resolution of the City Council of Hurricane City, Utah, providing for the creation of Sand Hollow Mesa Public Infrastructure District No. 4 as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters. Seconded by Kevin Thomas. Motion carried with Dave Sanders, Kevin Thomas, and Doug Heideman voting aye. David Hirschi and Joseph Prete voted nay.

5. Consideration for adoption of a **resolution of the City Council of Hurricane City, Utah, providing for the creation of Bench Lake Public Infrastructure District** as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters

The red lines show where the water will run down to the tank on the map. The Romney Group development overlaps both PID's. Based on the language in the governing documents, this is capped at 4.5 million. Matt Ence read the names of property owners currently part of this PID. There is a larger annexation area property owners could petition to be in. The Council can choose not to approve that annexation area, which will require property owners to come to the City Council to request joining the annexation. The water tanks are eight million gallons. The water lines vary from 14 to 18-inch iron pipes.

Councilman Prete asked why Balance of Nature wants to participate in this PID. Karl Rasmussen explained the master-planned roads on both sides and the water line coming down 2600 west. Balance of Nature and the Romney Group saw an opportunity to work with all the developers to have a standardized process. Councilman Prete has concerns about the size of the annexation. Randy Larson explained that the annexation area allows property owners to join the PID without coming to the City Council. However, they won't have access to services without annexing into the PID. The annexation also affects the taxes and impact fees for future property owners.

Mayor Billings asked Kaden DeMille if the staff had concerns about the annexation areas. Mr. DeMille stated that the staff had focused primarily on the finances. Marcus Keller with Zions Public Finance reported that the staff's primary goal is to ensure that everyone benefiting from the PID pays their fair share. We want to make sure that the money is paying down the bond and reducing the burden on the people who are initially paying for the upfront cost.

Kevin Thomas motioned to approve, including the modification of the storm drainage system and the definition that if there is excess dollars it is brought back to the City Council, a resolution of the City Council of Hurricane City, Utah, providing for the creation of Bench Lake Public Infrastructure District as an independent body corporate and politic; authorizing and approving a governing document, an interlocal agreement, and a notice of boundary action; and related matters. Seconded by Dave Sanders. Motion carried with Dave Sanders, Kevin Thomas, and Doug Heideman voting aye. David Hirschi and Joseph Prete voted nay.

NEW BUSINESS

1. Consideration and possible approval of awarding the bid for the Sand Hollow well

Joseph Prete made the motion to continue to the next City Council meeting. Seconded by Dave Sanders. Motion carried unanimously with David Hirschi, Joseph Prete, Dave Sanders, Kevin Thomas, and Doug Heideman voting aye.

2. Consideration and possible approval of a resolution appointing Nanette Billings to the Hurricane Valley Fire District Board

Mayor Billings explained the County Commissioners changed the bylaws of the Fire District so it now reads there will be five elected officials on the board, and the board will report to the City Council.

Joseph Prete motioned to approve a resolution appointing Nannete Billings to the Hurricane Valley Fire District Board. Seconded by Kevin Thomas. Motion carried unanimously with David Hirschi, Joseph Prete, Dave Sanders, Kevin Thomas, and Doug Heideman voting aye.

3. Executive Session

Joseph Prete motioned to go into an Executive Session. Seconded by Kevin Thomas. Motion carried unanimously with David Hirschi, Joseph Prete, Dave Sanders, Kevin Thomas, and Doug Heideman voting aye.

Adjournment: 10:17 p.m.