

**REGULAR SESSION OF THE
BRIGHAM CITY COUNCIL
September 20, 2012**

PRESENT:	Tyler Vincent Scott Ericson Ruth Jensen Brian Rex Mark Thompson	Mayor Pro Tem Councilmember Councilmember Councilmember Councilmember
ALSO PRESENT:	Dave Burnett Mary Kate Christensen Paul Larsen Bruce Leonard Tyler Pugsley Jason Roberts	Public Power Director City Recorder Director of Community & Economic Development City Administrator Public Works Director Finance Director
EXCUSED:	Dennis Fife	Mayor

Mayor Pro Tem Vincent called the meeting to order and excused Mayor Fife, who was recovering from surgery. The Reverence Period was given by Bishop Derl Sanderson of the LDS 23rd Ward. The Pledge of Allegiance was recited.

Approval of Minutes: A motion to approve the minutes of the September 4, 2012 Council meeting was made by Councilmember Thompson, seconded by Councilmember Jensen and unanimously approved as distributed.

**PUBLIC COMMENT
CONSENT**

- Request to Write-off Accounts Due to Bankruptcy or Being Sent to Collections
- Request to Approve Contracts with Jones & Associates
- Request to Appoint Vice Chair of Public Utilities Advisory Board

SCHEDULED DELEGATION

- Update on Effect of Temple Open House to Local Businesses

NEW BUSINESS

- Request for Street Improvements to the New Compost Facility
- General Obligation Bond Refinancing Summary Results
- Report on 2012 Brigham City Heritage Arts Festival
- Update on Forest Street Rail Crossing Study
- Resolution Authorizing Submission of USDA Rural Economic Development Loan and Grant
 - Application to Facilitate a REDLG Loan
- Schedule Council Meeting on September 27, 2012 at 7:00 PM to Hold a Public Hearing on an Increase to the Municipal Energy Tax

UNFINISHED BUSINESS

- Discussion on Youth Volunteer Coordinator Position (*postponed*)

PLANNING COMMISSION BUSINESS

- Deferring Public Improvement Agreement (Sidewalk Deferral) for Property Located at 400 South and 800 West
- Preliminary and Final Plat Approval of the Kirk Nelsen One Lot Subdivision Located at Approximately 925 W Georgia Dr (1075 South) and Development Agreement for Remainder Parcel

**MAKING LIFE BETTER – DEPARTMENT REPORTS
OTHER BUSINESS**

PUBLIC COMMENT

Bonnie Germer – Ms. Germer said she has asked this question regarding the loan for the hotel a few times but has still not received an answer. She asked how much is the loan and where is the loan coming from? Who is going to loan Brigham City this money? What is the name of the company that is going to be building the hotel? What is the name of the company bringing the restaurant the money will help build?

Ms. Germer also had some questions regarding UTOPIA. She asked how UTOPIA has received all the power they have and the citizens have not had a say in continuing with UTOPIA or pulling back. Have they met with Brigham City and if so, with whom, and what were the questions? What are the answers? Millions of dollars are on the line and 50 years to pay and they continue to keep coming back and the interest keeps going up. Every year interest goes up 1-2% instead of going down. Have they had to meet with the citizens and Council? Have the Council met with them behind closed doors? Who is receiving this money that UTOPIA is getting? Where is it going? Are their reports? Are the reports available to the public? How far is the City going to go before the citizens and Brigham City get to say we are not doing this anymore? UTOPIA needs to cut back, stop taking their Christmas bonuses, cut their salary and sell some vehicles. UTOPIA is \$120M in debt and now they want to draw on another \$65M in escrow. How fair is that to her as a citizen?

Steve Maddox – Mr. Maddox said when he heard there was a possible restaurant development coming to the community, his first reaction was positive. He is a businessman and if he cannot compete he does not deserve to be in business. Then he heard Brigham City was considering a million dollar interest free loan for the restaurant. We are inherent to the concept of liberty and justice. Liberty is freedom and the freedom to compete and earn the respect of customers. Inherent to the concept of justice is that the competitors play by similar rules. He did not know how anyone could reasonably be expected to compete with interest-free money that is directly or indirectly backed up by the power to tax or the credit of the community. The idea of competing on terms that are not equal and fair does not seem right. Mr. Maddox hoped that there is a way this can happen without it being unfair to other developers or to existing businesses and without putting the credit of a community at risk.

Tim Haderlie – Mr. Haderlie is the General Manager of Crystal Inn. He stated that he is all for competition. He has had firsthand witness in Logan when a hotel is funded by the City and brought in against the competition. It creates very rough waters for those in business. He felt that sometimes it is the cart before the horse. It is great to do tax incentives when it is for something that will bring people into the area; building a hotel does not do that. Hotels ride on the tide of businesses and things happening in the community, such as Peach Days. He urged the Council to put the money to better use such as businesses or manufacturing. Last year the Crystal Inn was at 67% occupancy; this year they are going to be at approximately 54%. He encouraged the Council to look hard at this. If any of the hotels go out of business, it creates urban blight.

CONSENT

Request to Write-off Accounts Due to Bankruptcy or Being Sent to Collections

A list of accounts totaling \$7,468.06 was presented to be removed from the City's billing system due to customer taking out bankruptcy or being sent to collections.

Request to Approve Contracts with Jones & Associates

After going out for Requests for Proposal, it was recommended Jones & Associates continue to be the City's engineering firm. Two contracts were presented for approval: 1) Mutual Termination Agreement and Release, and 2) agreement for services for a period of five years with an extension option of an additional three years.

Request to Appoint Vice Chair of Public Utilities Advisory Board

It was recommended Alan Wright be appointed as Vice Chair of the PUAB.

MOTION: A motion to approve the Consent Agenda was made by Councilmember Jensen, seconded by Councilmember Thompson and unanimously carried.

SCHEDULED DELEGATION

Update on Effect of Temple Open House to Local Businesses

Ms. Monica Holdaway, Director of the Chamber of Commerce, came forward and reported that all the local restaurants saw an increase in sales and customers during the LDS temple open house. One restaurant had a 154% increase. Peach City started with a 70% increase with the highest week being a 187% increase over last year. Consistently throughout the four weeks they were up at least 100%. Idle Isle had a record breaking day the first Monday of the open house. Maddox was very busy throughout the open house. All restaurants, including all fast food restaurants, have seen an increase.

Although the downtown retail businesses did not see an increase, there was an increase of people walking Main Street and they saw the businesses and may return to shop here.

The Chamber did several things to try and promote business during this timeframe. They had a coupon on their website and available at their office. There were maps in front of the Chamber office with restaurants and service stations highlighted. There was also the Brigham City magazine that was prepared a few years ago available.

The Chamber has already started to receive calls about weddings that will take place at the temple. They are asking where they can have a wedding lunch, where to eat breakfast, and what services are offered.

NEW BUSINESS

Request for Street Improvements to the New Compost Facility

Mr. Pugsley reported that the new compost facility is near completion. Originally, the street improvements were going to be done in the next fiscal year. However, after evaluating the project it was suggested that the street improvements should be done at the same time. When he discussed this with Mr. Roberts, he said there is a budgeted surplus in the Utility Funds of \$348,000. Mr. Pugsley requested Council's authorization to use this money to finish the road. It is estimated the road improvements will be \$190,000.

Councilmember Jensen stated that the Council is going to meet next week about an increase in the Municipal Energy Tax. If the City puts off a project, the Council could consider not increasing the MET. Mr. Roberts said the MET goes to the General Fund. If this was done, the deficit would be in the General Fund. This deficit would have to be covered, maybe by an increase to the transfer. The project is estimated at \$190,000. There is a \$348,000 surplus, which is \$150,000 additional dollars. The MET increase is estimated to bring in \$250,000 for the fiscal year. This would leave a \$100,000 gap.

MOTION: Councilmember Jensen made a motion to table this item to the September 27, 2012 meeting. The motion was seconded by Councilmember Rex and unanimously carried.

General Obligation Bond Refinancing Summary Results

Alex Buxton from Zion's Bank came forward and joined Mr. Roberts at the table. Mr. Roberts reported that the City received an Aa3 rating from Moody's. The refinance was on \$2.7M in bonds. Several bids were received with the lowest being .75%. This is an outstanding rate. There will be one less year on the bond, so there will be a savings of \$190,000.

Report on 2012 Brigham City Heritage Arts Festival

Mr. Larsen, Donna Pett and Mr. Tory Jackman from Wal-Mart Distribution came to the table. Mr. Larsen reported on the Heritage Arts Festival held June 16. The Utah Association of Municipal Power Systems donated \$500; Box Elder County granted the City \$1,000; Wal-Mart Distribution contributed \$3,000 plus 125 hours of volunteer hours. Ms. Pett reported that the expense for the festival was \$2,196. The festival made money this year; however, the Wal-Mart donation comes in the following year, so the \$3,000 will be used for next year's Festival.

Mr. Larsen stated that for the 2013 Festival, they are considering partnering with the concert that is scheduled for June 22, 2013, if the Council agrees. The Council felt this would be a great collaboration and agreed.

Update on Forest Street Rail Crossing Study

Mr. Larsen introduced Darin Eyre from CRS Engineering. The City, Box Elder County and the railroad chose CRS Engineering to do a rail crossing analysis on Forest Street.

There are three general alternatives: 1) do nothing; 2) relocation of the switching yard; and 3) an overpass.

There are two locations that fit the standards for the switching yard: north of Brigham City and east of the airport, and another in Perry.

Mr. Larson reviewed several options for an overpass. There are several variations for an overpass at West Forest. They are also looking at an overpass by Watkins Park and 200 South.

Mr. Eyre said they plan to meet with all the major affected landowners to review all the alternatives.

Mr. Larsen said one of the aspects of this study is a benefit cost analysis. There are two grant programs that could potentially fund this project. One is the Transportation Investment Generating Economic Recovery (TIGER) grant and a relocation grant through the Federal Department of Transportation. Mr. Larsen felt that the TIGER grant is the best alternative because the federal grant is for relocation only.

Resolution Authorizing Submission of USDA Rural Economic Development Loan and Grant Application to Facilitate a REDLG Loan

Mr. Larsen addressed some of the issues brought up during the Public Input Period. This loan is not funding a restaurant. In the master plan for the Academy Square Project there is an area that could potentially house a restaurant. As this project develops there is a possibility a restaurant could locate there. However, this loan is not geared to that part of the Academy Square Project. It is being used solely to fund a hotel. It is felt there is a need for additional lodging in the Brigham City area. Studies indicate that there is room in the market for one additional hotel.

The loan being requested is for \$1 million. It is a grant from the Rural Economic Development Loan and Grant Program, which is part of the Department of Agricultural Rural Development Program. It would be a pass through loan to the hotelier. It would supplement bank and other financing. If the City receives the loan, it will be held in escrow until the hotel project begins. Mr. Larsen explained that hotels can no longer finance a hotel through a bank only. Banks will not finance it without some kind of equity or money coming from other sources.

Councilmember Jensen asked what the City has available for local businesses. Mr. Larsen replied that a lot of it depends on the business itself. There are numerous programs that both the County and City have available. The City has a grant for business facades on Main Street and revolving loans available for businesses on Main Street. The City has also offered programs to GEM Buildings, HyPerComp Engineering and Vexxel Deposits. It is not always a monetary issue. The City has helped with electrical and road issues. The Business Expand and Retention (BEAR) Program is also helping individual businesses. A downtown hotel will create an indirect benefit to local businesses as well by bringing more traffic to the downtown area. He added that the State Office of USDA would like to give more loans in Utah.

Mr. Larsen said the City is not trying to push out or harm any of the local businesses. There is capacity for a new hotel and still have good activity for everyone.

Councilmember Jensen said the Council thought it was a good idea to sell the property on 800 West for a low income subdivision and it flooded the market and hurt the local rentals.

MOTION: Councilmember Ericson made a motion to approve the application for a USDA Rural Economic Development Loan to be submitted for the REDLG Program. The motion was seconded by Councilmember Thompson. Councilmember Ericson, Councilmember Rex, Councilmember Thompson and Councilmember Vincent voted aye; Councilmember Jensen voted nay. The motion carried with a 4-1 vote.

Schedule Council Meeting on September 27, 2012 at 7:00 PM to Hold a Public Hearing on an Increase to the Municipal Energy Tax

A special Council meeting has been scheduled for September 27, 2012 at 7:00 PM.

PLANNING COMMISSION BUSINESS

Deferring Public Improvement Agreement (Sidewalk Deferral) for Property Located at 400 South and 800 West

Mr. Bradley came forward and stated that the School District presented their development plan for their property west of the high school to the Planning Commission on September 4, 2012. With this development plan, they are requesting a sidewalk deferral associated with the improvements of the property. The Planning Commission recommended deferral of the sidewalk for one year, knowing that there is a redesign project for 800 West. One option the Council could consider is to have one deferral agreement which would defer the improvements of the sidewalk in conjunction with the 800 West redesign and 400 South projects.

MOTION: Councilmember Jensen made a motion to defer the public improvement agreement for property located at 400 South and 800 West. The motion was seconded by Councilmember Rex and unanimously agreed.

Preliminary and Final Plat Approval of the Kirk Nelsen One Lot Subdivision Located at Approximately 925 W Georgia Dr (1075 South) and Development Agreement for Remainder Parcel

Mr. Bradley explained that there is a storage bay unit on the southeast corner of the section of property owned by Kirk and Robert Nelsen. The Nelsens would like to separate this section of the property from the rest of the property. There have been several discussions about getting access along 1100 West. With that, there have been multiple options of where Georgia Drive will extend. Staff felt there is reasonable justification for the Nelsens to move forward and do a one lot subdivision to create a separate parcel for the storage bay and leave the seven acres to be subdivided in the future. Because it is not known exactly where the alignment should be, the Planning Commission and staff recommended the development agreement be tied with the remaining seven acres, that it not be further developed, divided or a building lot issued until the City has approved the location of the Georgia Drive extension.

MOTION: Councilmember Rex made a motion to approve the preliminary and final plat of the Kirk Nelsen one lot subdivision located at 925 W Georgia Drive, seconded by Councilmember Jensen. All present voted aye.

A motion to adjourn to a closed session was made by Councilmember Ericson, seconded and unanimously carried. The Council adjourned to a closed session at 8:55 PM. The Council returned to an open meeting at 9:30 PM and adjourned.