IVINS
CITY COUNCIL
MINUTES
November 19, 2020

***NOTICE: This meeting was held electronically and in person, with limited seating to observe social distancing. City Hall was the anchor location for the electronic meeting. You may listen to the audio feed by going to www.ivins.com, clicking on the "Government" tab, clicking on the word "HERE" under the words City Council**

1) WELCOME AND CALL TO ORDER

MAYOR AND COUNCIL: The meeting was called to order at 5:30 p.m. and announced there was a quorum present.
All present included Mayor Hart, Council Member Mehr, Council Member McDonald, Council Member Johnson, Council Member Larsen, and Council Member Gordhammer.
STAFF: City Manager/Attorney Dale Coulam, Director of Finance Lane Mecham, Building and Zoning Administrator Mike Rodriguez, Public Works Director/City Engineer Chuck Gillette, and City Recorder Kari Jimenez.
EXCUSED: None.
Audience: Chris Haddad, Regina Roper, CJ Koharcheck, Stephania Nostadt, Jerry Nostadt, Sofie Shurtliff, Stacie Shurtliff, Ron Stoops, Jason Burningham, Debra Ward and others who did not sign in.

A. Acknowledgement of Quorum

Mayor Hart acknowledged there was a quorum present. Council Member Mehr, Council Member McDonald and Council Member Gordhammer were present via the electronic "Zoom" platform. Mayor Hart, Council Member Johnson and Council Member Larsen were present in the Council Chambers. **Mayor Hart** requested a roll call of the City Council Members. Each City Council Member who was in attendance, acknowledged their presence.

B. Flag Salute

Council Member Larsen led the Flag Salute

C. Invocation

Council Member Larsen gave the Invocation

D. Disclosures

Council Member Larsen disclosed that he and his business partner have deposited $1,000 on the Black Desert Resort project. There were no other disclosures or conflicts of interest with items on this meeting's agenda.

2) REPORTS, PRESENTATIONS AND APPOINTMENTS

A. Fiscal Year Ending 2020 Audit Report – Larsen & Company

Jon Haderly with Larsen and Company provided a written audit report to the Mayor and City Council. A copy of that report is available as an attached to this agenda. He reported that there was no statement of findings and no internal control findings. He was very impressed with City Staff and commended them for their organization and ability to provide what was asked for promptly.

B. Department Reports: Building Department; Public Works/Engineering; Finance

Mike Rodriguez reported that Canyon Crossings is moving along in their construction on Center Street at the corner of Tuacahn Drive. There are a couple of new subdivisions underway, as well

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as some townhome projects on Highway 91. Site work has been done on the Azalea project, as well as at Movara. The new Code Enforcement Officer is busy and getting compliance on a lot of new cases.

Chuck Gillette provided an electronic report, a copy of which is available as an attachment to this agenda. He reported that the asphalt at the Public Works yard was installed. The Old Highway 91 project has been a challenge because the City is short funds of approximately $1.5 million but the City intends to request funds from the MPO (Dixie Metropolitan Planning Organization) as a way to get that project moving forward. Funding for that project will likely be on a future City Council agenda for discussion. He reported that the holiday star on the Red Mountain was installed by a group of volunteers on Saturday, November 14th. **Mayor Hart** referred to the roads at 600 West above Center Street and 200 North above Arrowhead and commented that those roads are be unacceptable. He inquired where the City stands with the developer on that because that needs to get done. **Chuck Gillette** stated that the City is working with the developer but the weather has gotten cooler and that has been an issue but he is confident that the developer is going to move forward and get that done. **Mayor Hart** referred to the new intersection at 200 East and 400 South going north and commented that the lane markings to go straight or turn is confusing because of the striping and suggested that some additional painting be done to address that. **Mayor Hart** referred to the concrete diameter pipes that are on the construction site at the new City Hall and inquired what that was for. **Chuck Gillette** indicated that those are to retain water and act as a detention basin to move storm water from Main Street.

Lane Mecham provided an electronic finance report. A copy of the report is available as an attachment to this agenda. He reported that there is not much to report and things are moving along as anticipated.

C. Planning Commission Report

Commissioner Anderson reported that the Planning Commission held two (2) Public Hearings on concurrent Land Use and Zone Changes for property located at Fitness Way and Guy Lane, as well as property located Red Mountain Circle and Snow Canyon Parkway. The Planning Commission recommended approval for both parcels and they will proceed to the City Council for Public Hearings. The Planning Commission also discussed the existing lighting ordinance and will continue to do so at the next couple of meetings.

3) CITIZEN COMMENT & REQUEST FOR FUTURE AGENDA ITEMS

A. Citizen requests to be placed on a future agenda

Jennifer Rock submitted a comment regarding the fencing ordinance. She has constructed a corrugated steel fence that is made to rust on the outside. She recently received a courtesy notice from the City indicating that material is not allowed. She asked for an exception to use corrugated steel and had a petition signed by her neighbors for her to use the fencing material. **Mayor Hart** inquired of Dale Coulam as to an exception. **Dale Coulam** stated that it would not be an exception, but rather a request to review and amend the ordinance because the exception option is for specific stated reasons, and this is not one of them. **Council Member McDonald** inquired when the last time the fencing ordinance has been reviewed. **Jennifer Rock** commented 2015 based on the information she had. Council Member McDonald was in favor of moving forward with reviewing that ordinance, beginning at the Planning Commission.

4) PUBLIC HEARING AND ACTION ITEMS

A. Public Hearing to consider the Planning Commission's recommendations regarding amendments to Density Allowances for Multi-Family

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Mike Rodriguez reported that there has been quite a bit of discussion through several Planning Commission meetings regarding how to revise how density allowances are calculated for Multi-Family. They looked at the existing code and saw that the calculations were on a per acre basis. They wanted to keep heights in compliance with the code and after a lot of discussion, the Planning Commission determined that it would be more effective and easier to use a percentage basis of the overall site, based on types of recreation amenities or building heights that were proposed. **Mayor Hart** commented that the Planning Commission has gone through this thoroughly. **Mayor Hart** requested that Lane Mecham explain how one can join the meeting electronically and make a comment for the Public Hearing. **Lane Mecham** provided instructions as how to make a public comment for the Public Hearing. **Mayor Hart** opened the Public Hearing and inquired of Lane Mecham as to anyone in attendance through the Zoom platform who would like to make a public comment. **Lane Mecham** confirmed that there were no attendees through the Zoom platform. There being no public comments, **Mayor Hart** closed the Public Hearing.

B. Discuss and consider approval of Ordinance No. 2019-08, an Ordinance of Ivins City, Utah, amending the Density Allowances for Multi-Family

Council Member McDonald indicated that the Planning Commission did a great job putting this together and he felt that it was reasonable, useable and effective. **Mayor Hart** agreed and commented that it incentivizes the right things.

MOTION: Council Member Johnson moved to approve Ordinance No. 2019-08, an Ordinance of Ivins City, Utah, amending the Density Allowances for Multi-Family
SECOND: Council Member Larsen
VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

Roll call vote. All Council Members were present and voted in favor.

5) DISCUSSION AND POTENTIAL ACTION ITEMS

A. Discuss, consider and approve an Amended Preliminary Plan and Project Plan for Azalea Townhomes formerly known as Kanta Village. Located at 343 West Highway 91. Visionary Homes 2020, LLC-Owner/Applicant

Mike Rodriguez reported that this was formerly known as Kanta Village and approved under that name. The project sold and the new owners are moving forward with the project, with some minor amendments. They are changing the name to Azalea Townhomes, changing building elevations but the footprint will remain the same. They are reducing the area on the upper level that was previously storage, and opening that up to put in a covered balcony area for an outdoor living space. The architecture is changing slightly as well to take advantage of the view scape. **Mayor Hart** inquired if these changes are in compliance with the City's design guidelines. **Mike Rodriguez** indicated that they were. **Council Member Gordhammer** referred to the outdoor living space and inquired if the top story had been lowered. **Mike Rodriguez** stated no, the upper building room was reduced in size so rather than retaining an indoor living space, they would like to make that space an outdoor living space instead. **Council Member Gordhammer** inquired if the overall heights had changed. **Mike Rodriguez** indicated that they had not. **Council Member Gordhammer** commented that the

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changes enhance the exterior of the building. **Mike Rodriguez** agreed and commented that the changes were an improvement from what was previously submitted.

MOTION: Council Member Johnson moved to approve an Amended Preliminary Plan and Project Plan for Azalea Townhomes formerly known as Kanta Village. Located at 343 West Highway 91. Visionary Homes 2020, LLC-Owner/Applicant

SECOND: Council Member Gordhammer

VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

B. *Discuss and consider approval of Letter of Support for the Washington County Water Conservancy District's Grant Application to develop a Drought Contingency Response Plan for the County

Mayor Hart indicated that the lower basin states on the Colorado River are required to do this and it identifies what the County is going to do if the water supply shrinks or if the County has drought conditions for a period of time and the City would be lending support to the Water District to conduct a study and write a drought contingency plan. **Council Member Mehr** inquired if the City would be lending support to conduct a study or lending support for the Water District to apply for a grant to conduct the study. **Mayor Hart** clarified that the plan is the result of the study. **Council Member McDonald** inquired if the Water District will present the study to the City Council in the future. **Mayor Hart** stated that when the study was completed, it would be public information through the County. **Council Member McDonald** inquired if the City would have to approve the study. **Mayor Hart** commented that he did not know the answer to that. **Chuck Gillette** clarified that with this letter, the City is supporting the idea that the Water District receive a grant to do the study.

MOTION: Council Member Mehr moved to approve a Letter of Support for the Washington County Water Conservancy District's Grant Application to apply for a grant and conduct a study to assist in developing a Drought Contingency Response Plan for the County

SECOND: Council Member Johnson

VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

C. Continued discussion regarding Black Desert Resorts request for Public Assistance funding using Community Reinvestment Agency (CRA)/Tax Increment Financing (TIF) and a Public Infrastructure District (PID)

Mayor Hart indicated that last week they held a Work Meeting where the City's advisors provided information surrounding Black Desert Resort's requests and what these two funding mechanisms are and how they work. City advisors Randy Larsen and Mark Anderson were present in the Council room and Jon Bronson was attending via the Zoom platform. These are

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economic development tools that are long term in nature and he acknowledged receipt of numerous emails regarding this. Black Desert Resorts' request is that both of the tools are utilized and their hope is that this can be advanced fairly quickly and financing put together. On the Council's side, the Council needs to make sure they are making the correct decisions and with the City's advisors in attendance, the Council can direct a lot their questions to them. The City Council has received a number of emails from the public regarding this and requested that the City's advisors help the City and the public to understand this process and what the advantages and disadvantages are of implementing these, what the long-term consequences are, how these tools have been used in other areas and how successful they have been. **Council Member Larsen** also requested that the short-term ramifications be addressed as well. **Randy Larsen** is with the Law Firm of Gilmore and Bell addressed the legal considerations and policies. As a follow-up to the presentation last week at the Work Meeting, the City should be cognizant of the fact that a TIF and a CRA, both deal with property tax but they are different types of economic development tools. A CRA/TIF/RDA and other interchangeable acronyms but is currently known as a CRA, is a redistribution of existing property taxes. That means that while the City and any other taxing entities can participate, they give up their share of the additional property tax in order to invest in development that might not otherwise occur. Because of that redistribution of taxes, the question is commonly asked of what makes a City, School District or County justify that investment and the answer to that is the "but for" argument. But for this subsidy, the City wouldn't see this kind of growth and so the City, School District or County is willing to forego certain property taxes to aid in the development to grant greater investment on the long end. That is different than a PID. To be clear, a CRA is a redistribution of existing tax revenues and a PID actually brings new revenue to the table. It is new growth paying for itself with an enhanced property tax and does not redistribute from others. Both the CRA and PID work in tandem very well and the underwriting risks are extremely similar. The City has a proposal that gives some information about the "but for" argument. It would be typical and appropriate for a developer to seek the City's approval of a TIF, before seeking other taxing entities proposals. The City is the gate keeper to a CRA; not the County or the School District. The majority of the property tax from TIF belongs to the School District but if the School District said yes but Ivins City said no, it would be irrelevant because the City is the gate keeper. A CRA does require some reporting burdens to the State, which tends to change every year and grow. The City had an RDA at one time but the decision was made, because there were no active project areas, to dissolve that RDA. The developers have come to the City to ask the City what they think about TIF before they go to the County or School District. One way to accelerate the timeline, would be to create the CRA now, and reserve judgment about the project area to a later date. It doesn't commit any property tax but it accelerates the timeline from the developers perspective. The concern from the City would be if the City doesn't ever have a project area and the CRA doesn't make sense, the City has re-incurred the reporting obligations for a dormant CRA. There may be a proposal in the middle that may help both parties and that would be if the City Council gave some indication about its approval for the Mayor approach the School District or the County with some approval benefits for the developer. If the developer goes to the County and District right now, the County of School Districts first question will be "What does the City think?" The CRA will not make sense unless the County and the School District participate. **Mayor Hart** commented that the School District and the County have done this a number of times and indicated that he has talked to the Mayors in the County and they have used this for economic development and they have liked

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what has occurred. Ivins City has not gone through this process before and has consultants to go through this process if that is what the City decides. One option would be to proceed cautiously with the City Councils consent. **Randy Larsen** agreed and commented that the odds would be better if the Council was at least willing to consider this or was generally in favor of this but clarified that there are two (2) steps before a CRA could be involved in this project. The first is that the City would have to create the agency. Creating the agency does not generate the TIF. Once the agency is created, which is the alter-ego of the City Council, then they would be able to vote upon approval for a project area, which would then generate the TIF within discreet portions of the City's boundaries. **Mayor Hart** commented that a PID does not include the School District or the County. **Randy Larsen** indicated that was correct, only the CRA includes those entities. **Council Member Gordhammer** commented that the consultants did a great job explaining PIDs and understanding the PID but stated she was unclear as to the area a CRA would apply to and inquired if it's just confined to Black Desert, if there was less exposure to the City and the residents. **Randy Larsen** indicated that the boundaries of the agency, to chase TIF, an agency would be created - the alter-ego of the City, and the boundaries of that agency would be the boundaries of the City but there is a further mechanism to actually trigger the redistribution of property taxes from an area smaller than just the City. That requires property owner weigh-in, as well as taxing entity weigh-in, including the County and the School District. The agency is a prerequisite to chase a project area and that is distinguishable from a PID. There is no requirement for an agency of the City to be created to trigger a PID. A PID is a different legal structure but very different from a CRA in the sense that a PID is not from the whole City. It would likely be Black Desert or some portion of that tied to certain phases of development to trigger that but a PID would not require an agency. It would only affect, and statute appropriately insures, that the property tax increase cannot be on any property owner without their consent. It would have zero impact on any other tax payer within the City, to do a PID. Similarly, it would be the same for a TIF. A TIF doesn't raise any property taxes, it just redistributes existing property taxes. There would be no increase in property tax on any other resident who already owns their property by virtue of the City discretionarily creating a PID. **Jon Bronson** commented that Randy Larsen mentioned property taxes and stated that it also includes the redistribution of sales taxes within that CRA area. **Randy Larsen** indicated that was correct for TIF, which is an important part of Black Deserts proposal, is an increase in sales tax, is also a redistribution tool available. **Jason Burningham** commented from the audience that Black Desert is not chasing any sales tax increment. **Mayor Hart** stated that is an important distinction. **Randy Larsen** indicated that Jason Burningham pointed out to him that the proposal the City has seen from Black Desert is solely property tax. **Mayor Hart** inquired where Black Desert is proposing property tax only, if the sales tax revenue accrues at 100% which is unaltered and referred to the term redistribution, that sounds like they are talking about the property tax that is already being accumulated, is being funneled towards this. He understood that it really only has to do with the property tax within the project area. **Randy Larsen** stated that was correct. **Mayor Hart** commented that the City would not be taking any property tax that's being paid by residents to subsidize the CRA. **Randy Larsen** indicated that was correct. **Mayor Hart** stated that it has been mentioned that it would be a 75/25 so the City would be receiving 25% percent, rather than 100% of its share of the property tax and likewise the County and the School District would be sacrificing for a period of presumably 20 years or whatever the agreement is. He inquired if that 75% share would be property tax only. **A member of the Black Desert Team from the audience** indicated "yes". **Randy Larsen** stated

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that the Black Desert proposal shows the sales tax benefit to the City. **Council Member Mehr** commented that they need to qualify how that was just answered. Directly that's probably an accurate statement. What he heard was that the redistribution is on the incremental tax that is received from that resort. The challenge he has is that on a principal basis, taxes should be based to be equal to the level of demand for services that a local government is providing. If the City has an increase of people coming to the community as a result of the resort, the tax revenue that the City is going to receive as a result, should match the level of services that the City needs to provide. If the City takes that increased tax revenue, the City is saying they are going to give the resort services at a discounted rate because the City is giving up 75% of the revenue needed for roads, law enforcement, sewer and similar so disagreed with what was just said. **Randy Larsen** indicated that Council Member Mehr's distinction is a good one but he put it into context. The Mayor was correct that no property owner outside of Black Desert's project area will have any of their taxes redistributed so that is accurate. What's being raised is that the City relies upon property taxes on Black Desert as the City does on any other City resident to provide services. To the extent that the City shares that tax increment, it could put some pressure on the City's budget to provide the same amount of service if the City relies upon property tax revenues. However, the City should pay attention to the study that shows benefit coming back in to the City via sales tax and other pieces, that wouldn't otherwise be there, that may offset some of that burden. It is not directly taking from property taxes but if the City had no new revenues coming in, then the City would have the same amount of property taxes from the existing residents to potentially service a larger population. **Mayor Hart** inquired if the 75/25 formula that is being proposed is typical. **Randy Larsen** stated that he has seen them all over the place but that is typical but it depends on the "but for" question. What does the City receive by virtue of giving up that much? It's a discretionary trigger for the City, as well as for the County and School District. Mayor Hart inquired if that number, over the course of discussion, could alter from what's requested to something different. **Randy Larsen** indicated yes and the developer is appropriately showing a typical benefit as if the City gave 75%. **Mayor Hart** referred to Black Desert's presentation suggesting the sales tax and other benefits compensated for what the City would be giving up for the property tax portion and inquired if that was correct. **Jason Burningham** with Lewis Young stated that was correct and commented that in addition to that, there will be service costs associated with servicing this area but land uses are different. If it were just a traditional single family home dwelling unit, he did not necessarily disagree with the comment of what you levy in taxes is typically what you're trying to support in services. That is actually upside down. If you look at the cost of servicing a single family dwelling unit compared to the revenues that it actually generates, it's upside down but the reverse is substantial for commercial development, retail development, hotels, restaurants and similar. There is a significant, additional amount of not only property tax, because it's taxed at 100% of fair market value, but also the transient room taxes, the sales taxes and the other taxes that would be part of this. In Black Desert's analysis, when they looked at the full City cost benefit, they are taking into account all of those revenues and then looking at the expense side of this including, if you did give up 75% of the incremental property taxes, that is an expense built into the model, as well as servicing the project in terms of Public Safety/Police/Fire, Public Works, City Council, Administrative, Land Use, Planning and Zoning, roads and all of those traditional functions. Their conclusion is that this particular project provides far more revenue even after increment is used to support the parking structure and far more revenue than it ever costs in terms of services. He disagreed with the notion that this does not provide a net benefit or

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additional resources to the City because it does. They view it as the City then has those resources to further invest in things like amenities, parks and other things like that. **Mayor Hart** commented that in 20 years that comes back. He referred to Jon Bronson for additional information on the CRA.

Jon Bronson with Zions Bank indicated that in looking at the proposal, the Council does not have enough information yet to make a decision on this. The Council needs to see a detailed breakdown of the total costs versus the estimated market value and that should include things like the profit margin, management and development fees and similar. He has not seen that. The City also needs to understand better the assumptions behind all of that - proformas, especially the assumptions behind the generation of those new sales taxes that would offset the expenses that are in the presentation. They need to know who those shoppers are, how many there are, how dependent upon the revenue estimates will be on local residents and how much is dependent upon tourists and are those reasonable assumptions? How are the tourist visits estimated and that sort of thing. He noted that Black Desert's presentation has suggested 800,000 visitors to generate those sales taxes but he has not seen that information. He understood the "but for" argument that unless the City Council approves the support for the increment and the PID, it's the underground parking that doesn't happen and inquired if that was accurate. **Jason Burningham** stated yes. **Jon Bronson** thought that it was interesting to look at Plan B, which generates a greater net benefit to the City than Plan A, for the first 30 years. It's only after 30 years that the projections show there's a greater benefit to the City under Plan A. That is something to consider, especially in light of the fact that these are projections. There are a number of other questions to ask in the area of tax increment like are there other funding sources dependent upon the City providing the tax increment and the PID financing? That would be an important question to get the answer for. As far as the other taxing entities, the School District will be the toughest entity to get on board. School Districts are becoming less and less willing to engage in TIF. Some of them are absolutely dead-set against it and others will do it but the law is always changing regarding TIF. **Mayor Hart** referred to the 800,000 visitor number and Patrick Manning and Jason Burningham clarified that number includes the entire Black Desert project, patrons who go to Zion National Park, Tuacahn and surrounding areas in Washington County. **Jon Bronson** stated that it was really important to vet the visitor projections and analyze that as it relates to sales tax. **Council Member Gordhammer** referred to Jon Bronson pointing out that the 30 year Plan B generates more revenue for the first 30 years than Plan A and inquired what the risks are to the City with School Districts becoming less amenable to TIFS, if the City opts to go with Plan A, as opposed to Plan B. **Jon Bronson** clarified that Plan A requires more revenues to offset the expenses so there is less margin for error. **Council Member Gordhammer** inquired if the City has confidence in the projections. **Jon Bronson** indicated that it's all based on proforma data projections so it becomes important to vet those projections and see if the Council agrees with the underlying assumptions and understand the risks that those assumptions may be off, what the sensitivities are and how far off they can be and still generate sufficient revenues. **Council Member Gordhammer** referred to a letter that an individual by the name of David Baird provided to the Mayor and City Council and commented that in paragraph that titled as "7", it talks about that because the City does not have the detailed proforma but if the City used the 5% annual discount rate, Mr. Baird said that it only equates to little more than $2.3 million right now and inquired of Jon Bronson on that from Mr. Baird's perspective. **Jon Bronson** commented that he has not done the calculations but Mr. Baird has obviously taken the present value benefit and then discounting it back. The idea

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behind it is accurate, that a benefit of a dollar in the future, especially 30-50 years from now, is not worth a dollar today. **Lane Mecham** clarified that what was being referred to was the $28 million difference between Plan A and Plan B, the additional benefit that the City receives by going to Plan A, if you net-present value that number, it's no longer $28 million, it's 2 point something million. **Council Member Gordhammer** referred to the term of the CRA and inquired if Mr. Bronson had any concerns about a 30 year versus a 20 year. **Jon Bronson** commented that it is not unheard of to see a 30 year CRA tax increment deal but it is on the long side because most of them are shorter than that.

Randy Larsen referred to the legal construct around a PID. A couple of questions have come up about the risk to the City. From legal liability from debt risk, if the City just does a CRA, it would be the City's agency that would issue bonds payable from the TIF and that would be a debt of the City because the City Council is the alter-ego of the CRA and the City should be aware of that but it would be a limited risk. If the TIF is available and goes the way people anticipate, the City's obligation is to forward that to bond holders. If there's a short fall, then the City has no legal recourse to say give up City budget, increase property taxes etc. It's a very distinct limited obligation. In contrast, a PID is a separate entity and not a CRA so any liability would be extremely limited for a PID. The PID has its own CAFR (Comprehensive Annual Financial Report), its own governing body and that's intentional to protect the City from any debts the PID may issue. He recommended that if the City were to pursue TIF and PID, the City push the TIF to the PID and the PID issues the bonds, payable from whatever TIF the City collects, to create a greater degree of separation from the City CRA and the PID, which is a separate entity. **Jon Bronson** commented that what Randy is suggesting is a really important insulation for the City to isolate the City from some of the risk of TIF. **Randy Larsen** stated that as Counsel to the City on this issue that they can insulate the City from any debt risks from a PID and the statute is very clear on that. One of the most important part of a PID is disclosure and transparency. The developer needs to disclose to a buyer, and it is generally recommended that that disclosure is included in the REPC (Real Estate Purchase Contract), so that the person buying knows that they are going to pay a higher tax rate for property in the project area. **Jon Bronson** indicated that PID are new financing vehicles and are just starting to be used in the State of Utah. Now is the time to be careful and thoughtful because now is the time for the City to control what happens. Once a PID is created, the City cannot control it anymore. It's totally independent and the City has no say on what happens with it after it's created so now is the time during the creation process, to say what a PID can and cannot do, including what the limitations on their property taxes would be, what the final term of their bonds might be so everything that the City wants to dictate, needs to put into the governing document. He recommend the City put together a policy before the City actually creates a PID because the City would be setting a precedent that others are likely going to follow. The Bond Attorney and Municipal Advisor need to be people the City trusts and include disclosure of the PID on the property tax and have as much disclosure as possible. **Mayor Hart** inquired if that policy would evolve naturally when the City works with this specific project. **Jon Bronson** stated that it would be good to have certain details in mind but to have an even broader thought process about anything that might come forward. They have provided examples to the City of what has been provided to other cities, which will be of help to Ivins. **Randy Larsen** indicated that it is a good practice to have a policy in place so that the City does not claim to be arbitrary and capricious because the City has a procedure to subjectively review projects and the policy process does not have to be a lengthy one. **Council Member Mehr** cautioned the Council about creating a policy and setting a

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precedent. Creating a policy will imply that the City is in favor of providing economic tools for developers to develop in Ivins and thought that there should be some wisdom on being silent and the market should bear what develops rather than builders overbuilding. If the City provides economic tools for builders to build, that will drive up prices. **Randy Larsen** commented that there are a couple of cities who have elected to forgo a policy, in part because they didn't want to create that stamp that they would do it, rather view each development on a case by case basis. The policy is not a legal requirement but it may protect the City and the best practice is having a policy that is straight forward. With regard to the market and creating an incentive for developers to overbuild, the market will take care of itself. **Council Member Mehr** stated that he was coming from a point of setting a precedent and implying that the City is in favor of financing in the community but if the City agreed to have a PID, he would support a policy regarding that but suggested that the City not create a policy just because and he felt that the City should not encourage or incentivize that right now. **Jon Bronson** indicated that cities are going to see more and more developers interested in this tool and those developers are already talking about it and learning about it now.

Mayor Hart commented about Jon Bronson and Lane Mecham talking about the need for additional information to review before they could make a real recommendation to the City Council about this and recommended that the developer and his team know what the requirements are, unless it is the Council's desire to say thumbs down on one or both of these options. **Lane Mecham** referred to Jon Bronson referencing the needed items earlier, including the costs, the market values and he and Jon can produce a list and send it to the developer and his team. Basically, what the City is looking for is, although the applicant came before the City Council and provided the presentation with information that has been helpful, he did not feel like they have demonstrated that they have the need. Basically, they are saying that investors are not willing to fill this gap and that's the "but for" requirement that they continue to talk about. They have not provided the information that answers questions of what are the returns that they are showing on this project and how does that relate to different alternatives that they would have. The City needs to be able to look at those assumptions, look at the costs and management fees and some other costs that the City needs to understand. **Jon Bronson** indicated that they have already requested some information from the developer and his team but they can put a list together. **Mayor Hart** stated that the developer has come to the City and has said that they can build this project on their own and shown what the project is but if the City is willing to do a PID, then the plan becomes something better with a benefit to the City and the developer is asking the City, what does the City want as the project and as a City, is the City willing to help them achieve that or not. The City has residents who say that restaurants bring more people to the City and that is worrisome to them and then there are other residents who would love to have that option. He felt that it would be a mistake for the City to lose the vision side of this and indicated that this is a potential action item but do need to reach that crossroad of yes, the City wants to try and help or no the City does not. **Dale Coulam** stated that he was hearing Jon Bronson and Lane Mecham say that they do not have enough information to make a recommendation and he agreed that if the Council is not going to even deal with this, they could save time and end it now; but if the Council is willing to consider this, then the City needs to have the additional financial information and hold off on forming a CRA in case the County and School District say no. If the Council is willing to support that, they could authorize the Mayor to go with the developer to the County and the School District and make the pitch and if they are supportive, the City could move forward with a CRA and PID. **Council Member**

Gordhammer indicated that she did not have enough information in terms of the CRA or TIF. She felt that the PID was less exposure for the City but wanted more information. She requested a clarification and referred to Plans A and B, which both involve the City and inquired if there is a third option that doesn't involve the City. **Patrick Manning** clarified that they do not currently have a Plan C. **Mayor Hart** inquired if the Council was interested in pursuing this further. **Council Member Johnson** commented that there is a lot to learn about this but she liked the idea of starting with going to the other entities to see if they have any interest at all in the first place as it relates to the CRA. **Council Member Larsen** did not see a problem with the PID but felt that 30 years was a long time for a TIF. **Mayor Hart** commented that if the Council is going to declare something or needs more information, then that ought to be stated and the developer needs to appreciate the fact that the developer came to the Council very late with an enormous request. The City has a very responsible Council and they want to state their thoughts when they are fully confident in what they have reviewed. **Dale Coulam** commented that as far as listing out some things that the Council would like to see, at the end of the Work Meeting he had discussion with Jason Burningham and tried to explain the City's desire to see the internal rate of return with and without Public finance. That information has not been shown to the City and he understood that some of that information is sensitive and could be labeled as proprietary and protected if that's a concern for the developer. **Council Member Gordhammer** was not comfortable making a decision tonight but if she had to, she would vote not to move forward with the CRA because the City does not have enough information. Regarding the PID, because the City has less exposure with a PID, she was less concerned about the PID and personally, she was more comfortable with a smaller scale development and not having the underground parking and only the retail and restaurants initially and then if those were successful, she would view that as a second phase, but that was where she stood presently.

Council Member Mehr indicated that he did not have enough information to make a decision but the developer is obviously going to move forward with or without the City and the question is what is the City willing to invest. The City is the residents and not the local government. It is those who live in the City and the reality is, there are many people in the City that would love for this project to not happen but he knows that is not possible because private property owners have a right to develop as it conforms with the City Codes. He complimented Patrick Manning and his team for working together with the community. He referred to a prior statement that this project was fully funded and suggested that it may save everybody some time to not pursue and kill the CRA. He was not sure how he felt about the PID. **Council Member McDonald** stated that this is a lot of information to digest and the City has only scratched the surface of all of the information needed to fully understand this. He has been trying to look at this from a business standpoint and his initial reaction was that the PID has a lot less risk than the TIF but the TIF would offer a much grander project but at a much higher risk to people that are not directly involved. He agreed with Council Member Gordhammer that if he had to make a decision tonight, it would have to be a no for a CRA but he could see the potential option of PID financing. **Mayor Hart** inquired of Jason Burningham as to examples of projects where TIF was used. Jason Burningham indicated the Bountiful City Town center, a 7 story medical office tower in Bountiful, the Canyon Center in Sandy, the St. George Central Business District, the St. George Downtown RDA for a boutique hotel and the Zions Bank parking structure in downtown St. George, the Sandy Civic Center North, a parking structure in Park City to remove parking from Main Street and other resort communities. On a bigger scale, parking structures for Disney in California and Florida. He commented that it is a very common tool for parking structures

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because parking structures are a difficult component for the private market to finance. **Jon Bronson** inquired of Patrick Manning as to the number of parking stalls at the Black Desert Resort. **Patrick Manning** indicated that there will be approximately 1400 parking stalls which were designed around the traffic and parking study that was required as part of the Conditional Use Permit (CUP) and that is a count out to the year 2050. He commented that he personally did not come to the Council meeting tonight to get an answer, just a continued discussion. He and his team are going back through the material to make sure they are getting the numbers right because the numbers have changed so much since the resort's approval. **Council Member Gordhammer** referred to the CUP and in looking at Plan A and B from the Work Meeting, she commented that both show the same acreage of preservation goals and trails but Plan B does not show the trails existing and inquired about that because the CUP lists the trails in the document. **Patrick Manning** commented that the development already has a lot of trails but they are just not open to the public yet. He stated that he was very passionate about including that and wants residents on bikes and foot throughout the development. If they were able to utilize both the CRA and PID, they would have all of the trails in but if they do not have those tools, they may be shaving off $50 million dollars from the project. He committed that they would not be saying that if the City does not do the CRA or PID that there would not be any trails. No matter what's decided, the resort will be an inclusive resort. **Council Member Gordhammer** commented that the CUP is tied to certain conditions. **Patrick Manning** agreed and indicated that he has been putting this resort together for many years and has personally sat down in the homes of, and met with, a significant number of residents about this resort. He would like this resort to be super special and rather than anybody closing the door because they do not have enough information, he preferred that they keep that door open. **Mayor Hart** suggested that the Council continue this, get more info and ask more questions. **Council Member McDonald** referred to the list of projects that were provided that were built using these financial tools and commented that he added the costs up for those and the total does not come close to the amount that the developer is asking for. He was trying to understand the need for so much money for the parking structure. **Jason Burningham** clarified that it is the magnitude of the project. The Black Desert Resort is a capital investment of $800 million and many of the projects that were shown to the Council were under $300 million so it is proportionate to the size of the project.

Brennen Brown with D.A. Davidson commented that to keep this in context when the Council looks at that list of projects, the parking structure for Black Desert Resort is an underground parking structure and is much more expensive to build. **Randy Larsen** recommended that staff and the professionals work with the developer and his team to obtain more details and discuss this further at a later meeting. The **Mayor and City Council** agreed.

MOTION: Council Member Gordhammer moved to table for further discussion at a future meeting

SECOND: Council Member McDonald

VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

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D. Continued discussion regarding the Planning Commission's recommendation to approve grading amendments

There was a discussion regarding whether or not to continue this agenda item and refer it back to the Planning Commission due to the Citizen Request made tonight regarding fencing materials. It was determined to proceed with adopting the grading portion of this. **Chuck Gillette** indicated that he needs direction on fencing materials on Highway 91 for the recommended color of masonry block for the Azaela subdivision that was renamed tonight. **Mayor Hart** recalled there being discussions about matching the sandstone block that is on Center Street. **Chuck Gillette** stated that was how it was presented to the Planning Commission but Lance Anderson commented that that color is hard to match with each dye lot. **Mayor Hart** agreed and commented that the brown color known as geneva will change as well and the idea was a standard color along Highway 91 like what has occurred on Center Street. The **Mayor and Council** discussed colors on Highway 91 and determined that the colors should be compatible with existing development and that the colors of sandstone and geneva were compatible. **Council Member Mehr** referred to section 16.11.126 regarding additional height restrictions and commented that that restriction should be on the property uphill and not downhill. **Chuck Gillette** agreed and indicated that needed to be addressed. **Mike Rodriguez** clarified that that requirement is fairly restrictive and only applies to lots that abut existing development. **Chuck Gillette** recalled that and agreed. . **Council Member McDonald** referred to page 19 and inquired if there was a reason why the wall cannot be within three feet (3') of the property line because if someone has a small front yard, taking 3 feet of that property could be significant. **Chuck Gillette** stated that the intent was to soften the area with vegetation. **Mayor Hart** indicated that there are minimum setbacks that need to be met as well. **Council Member Mehr** inquired why they can't take the wall right to the property line. **Mayor Hart** asked Council Member Mehr to hold that thought for the Public Hearing. **Chuck Gillette** referred to the ordinance being a "guideline" and commented that there was no way to enforce the ordinance if it's just a guideline. **Council Member Gordhammer** agreed. **Chuck Gillette** inquired of the City Council if they wanted to take the guideline language out and replace it with shall language. **Mayor Hart** stated that the requirements are meaningless if there are no set standards. **Council Member Mehr** commented that some of those "shoulds" and "mays" are to make the best decision with staff or city approval and he understood the point but that might be going against what was said in a previous meeting. **Chuck Gillette** recommended a best effort or at least have to have a reason to not follow the requirements, so there are some options. **Council Member Mehr** commented that the Council may not be ready to hold a Public Hearing on this and may need more time to review it and inquired if there was any risk in not proceeding with a Public Hearing. **Chuck Gillette** indicated that the risk is a development coming and there not being any teeth in the ordinance. **Council Member Mehr** inquired if public comment should be taken on a final version of the ordinance. **Dale Coulam** stated the City can take public comment and still make changes to the ordinance after public comment is received. The **Mayor and City Council** agreed to proceed with a Public Hearing at the next City Council meeting.

E. Continued discussion regarding Ivins replacement City Hall

Mayor Hart reported that they continue to hold weekly meetings for the project. There was a question as to why the road in front of the current City Hall was to local traffic only. **Mayor Hart** clarified that the contractor is digging trenches for sewer, water and power. **Dale Coulam** indicated that the Architects need to know the exact location of where the sculpture

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from the roundabout is going to go. **Mayor Hart** stated that he turned that over to the Arts Commission and provided them with a picture but will find out and report back.

F. Continued discussion regarding issues, policies and/or procedures related to coronavirus (COVID-19)

Mayor Hart referred to the Governor's latest order and inquired if anyone had any suggestions as to if the City should be doing something more than it is already doing. There were no suggestions.

6) CONSENT AGENDA

A. Approval of City Council Meeting Minutes for November 5, 2020

B. Approval of City Council Work Meeting Minutes for November 12, 2020

MOTION: Council Member Mehr moved to approve the Consent Agenda
SECOND: Council Member Gordhammer
VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

7) CONSENT AGENDA ITEMS FOR DISCUSSION

8) REPORTS

A. Council

There were no reports by the City Council members

B. Mayor

No report

C. City Manager/Attorney Dale Coulam

No report

D. Items to be placed on future agendas

9) CLOSED MEETING

10) ADJOURNMENT

MOTION: Council Member McDonald moved to adjourn
SECOND: Council Member Johnson
VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Johnson	AYE
Council Member Larsen	AYE
Council Member Gordhammer	AYE

The meeting adjourned at 9:19 p.m.

Respectfully,

Kari Jimenez
Ivins City Recorder

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