IVINS
CITY COUNCIL
MINUTES
January 21, 2021

***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, Council Member Gordhammer, and City Recorder Kari Jimenez.
STAFF: City Manager/Attorney Dale Coulam, Director of Finance Lane Mecham, Building and Zoning Administrators Mike Rodriguez and Cody Mitchell, and Public Works Director/Engineer Chuck Gillette.
EXCUSED: None.
Audience: Judith Kapuscinski, Stephanie Nostadt, Jerry Nostadt, Gail Beimner, Ron Stoops, Patrick Manning, Rob Goodman, Jane Blackwell, Lance Anderson and others who did not sign in.

A. Acknowledgement of Quorum

Mayor Hart acknowledged there was a quorum present. Council Member McDonald and Council Member Mehr were present via the electronic "Zoom" platform. Mayor Hart, Council Member Gordhammer, 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 was in attendance and acknowledged their presence.

B. Flag Salute

Council Member Johnson led the Flag Salute

C. Invocation

Council Member Johnson gave the Invocation

D. Disclosures

Council Member Larsen disclosed that he and his business partner have a down payment on a condo in the Black Desert Resort project. He also disclosed that his company is installing rain gutters for the contractor building the Sage Villas project. There were no other disclosures or conflicts of interest with items on this meeting's agenda.

2) REPORTS, PRESENTATIONS AND APPOINTMENTS

A. Concept Plan Report for the Skyler Ence Tri-Plex, located at approximately 211 & 217 West and 200 South. BAMBAM Holdings, LLC-Owner. Skyler Ence-Applicant.

Cody Mitchell reported that the applicant would like to build a tri-plex on the property. The property consists of just over half an acre and the proposed lots and improvements are in compliance with City ordinances.

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

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Cody Mitchell reported that they issued 146 new residential permits in 2020, 38 remodel permits, 104 other permits consisting of accessory dwellings and pools and 69 solar permits. Beginning in 2021, they have issued 11 new residential building permits with a total of 20 permits overall. Code Enforcement has been steady and the Code Enforcement Officer is doing a good job. The City recently hired Randall Martin from Stafford Arizona to assist with inspections. **Mayor Hart** referred to the calendar year and inquired how it compared to the previous year. **Cody Mitchell** indicated that they average between and 10-12 a month in a normal year for a total of 100-120 permits in a year. The City superseded that this calendar year by approximately 25 permits. **Mike Rodriguez** reported that the City issued total of 391 total permits for the calendar year of 2020, which is the highest number the City has issued since 2017.

Chuck Gillette reported that the Public Works crew has been busy crack sealing. He is still working on the Transportation Master Plan and spoke with the consultant today. He reported that the Transportation Expo that is usually held at the Dixie Center will be held virtually on Tuesday, February 9, 2021 from 10:00 a.m. to 6:00 p.m. Registration is free but you need to register to attend. Regarding the Highway 91, he commented that it would be wise to add additional money towards that and he is waiting on an updated Federal Agreement. Money has been previously approved for that project and when the City has the updated agreement, he will bring it forward to the City Council. They will likely bid on that project in September or October of this year.

Lane Mecham indicated that there is not a lot to report on. A written report was provided and is available as an attachment to this agenda.

C. Planning Commission Report

Commissioner Anderson reported that the Planning Commission approved four (4) Final Plats and continued to discuss the existing Lighting Ordinance, which will be set for a Public Hearing before the Planning Commission on February 2, 2021.

3) CITIZEN COMMENT & REQUEST FOR FUTURE AGENDA ITEMS

A. Citizen requests to be placed on a future agenda

Mayor Hart indicated that there are two (2) Citizen Comment forms that have been submitted. Fred Grindle was present in the Council room and David and Susan Nelson were in attendance via the Zoom application. **David and Susan Nelson** were concerned about parking on Snow Canyon Drive where vehicles are parking from just before the Snow Canyon State Park entrance down to the Vermillion Cliffs, causing congestion, safety concerns with the narrow two lane street with pedestrians and cyclists coming and going. They were also concerned with lack of sanitation for those using the desert as a restroom. They understood that the State Park is going to start charging for the parking lot before the entrance gate and felt that will make the parking situation down the street even worse. They have witnessed several near misses where kids are out in the road or car doors opening and forcing cyclists into the other lane. They would like to see no parking on the shoulder because it is not adequate for parking. **Mayor Hart** commented that he has seen exactly what they are talking about and there is almost no shoulder. He did not think this was a policy issue that the Council would address but likely something that law could review with them. **Dale Coulam** stated that he has discussed this with the Chief of Police Bob Flowers and the Public Works Director Chuck Gillette about where to place no parking signs. He was curious as to where the new State Park gate will go because he has not had an update on that. If need be, they can address the parking similar to what they did at Fire Lake Park when parking was an issue. **Chuck Gillette** indicated that he thought that

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when the new State Park gate goes in and people are no longer able to hike for free, the parking problem is going to go away and solves the problem. Mayor Hart was not sure that would be the case. **Susan Nelson** referred to the State Park moving the gate and one of their neighbors sits on the Snow Canyon State Park board and as of right now, the State Park is not looking at moving the gate but putting in an extra lane where the gate is because they do not have the funding to move the gate so that is not going to happen for at least a year. A parking machine is supposed to be installed in the next two weeks and disagreed that moving the gate would solve the parking problem, which is getting worse by the day. **Council Member Gordhammer** stated that she is on the Joint Snow Canyon State Park Committee and would like to talk to Park Manager Kristen Comella because the last Kristen updated the Committee, the gate would be moving. She will provide a report at the next meeting. Mayor Hart commented that in the meantime he will leave this to Dale Coulam, Bob Flowers and Chuck Gillette to address immediately on a temporary basis.

The next comment was submitted by Fred Grindle. **Fred Grindle** indicated that his concern was over the current feral cat policy and how Animal Control deals with feral cats. He lives in Kayenta and there are a number of feral cats in his area that have become a nuisance, a threat to wildlife and a health threat because they can transmit disease to pets and residents. He spoke with Animal Control and was told that he could rent a trap and when he asked if they would take the cat, he was told no, that they no longer take the animal and spay and neuter it. That leaves him having to either kill the cat or take it to somebody else's neighborhood and inquired who wants that responsibility. He does not know why the policy has changed but feral cats have become his problem. **Mayor Hart** stated that in the past a TNR (Trap, Neuter, Release) program was occurring but recalled the policy had changed. **Dale Coulam** clarified that FIAS (Friends of Ivins Animal Shelter) used to fund spay and neutering but FIAS is no longer in business. There is lack of funding and even with TNR, feral cats can't be adopted so after they are fixed, they are generally released back to the population where they came from, rather than creating the problem for a different neighborhood so he does not know if TNR would solve the problems that were raised. He will speak with Chief of Police Bob Flower and have him report on this.

4) PUBLIC HEARING AND ACTION ITEMS-NONE

5) <u>DISCUSSION AND POTENTIAL ACTION ITEMS</u>

A. <u>Discuss and consider the Planning Commission's recommendation to approve a Preliminary Plan for Palisades at Snow Canyon Phase 8</u>

Cody Mitchell reported that this subdivision consists of 15.38 acres and is being subdivided into 32 lots. The proposed improvements appear to be in compliance with City ordinances. The Council did not have any concerns.

MOTION: Council Member Johnson moved to approve the Planning Commission's recommendation to approve a Preliminary Plan for Palisades at Snow Canyon Phase 8
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

B. <u>Discuss and consider distribution of uncommitted Arts RAP Tax Funds</u>

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Lane Mecham indicated that there is a total $27,383.00 and the Arts Commission has spelled out their recommendations on their memo. A copy of that memo is available as an attachment to this agenda. **Mayor Hart** clarified that there were three (3) applications, those being Tuacahn, the Kayenta Arts Foundation (KAF) and Ivins City. **Judith Kapuscinski** stated that the Arts Commission felt that for this year at least, there were two (2) that applicants that are actively engaged in providing art education, experiences to Ivins' residents and other and/or tax revenue to the City so they decided to recommend funding Tuacahn and KAF for $10,000 each, with the remainder $7,383 funded to the City on the condition that the funds support moving the round-about sculpture to the new City Hall. They also recommended that the Arts Commission have the opportunity to make recommendations on any acquisition and placement of public art by the City prior to any acquisition or placement. They felt that funding unidentified projects would be poor stewardship on the Arts Commission's part and that Arts RAP Tax should be used for public art and not to put art in private offices. **Council Member Gordhammer** complimented the Arts Commission for their recommendations, indicating that the requests were very well documented and clear and she appreciated their rationale. There was some discussion regarding the cost to move the round-about sculpture. The exact cost was not known but the Arts Commission did not feel that it was advisable to dedicate all of the RAP funds to projects that are not identified. **Council Member Larsen** commented that the Council previously discussed that what was left over, to use the funds for art at the new City Hall. **Judith Kapuscinski** stated that the Arts Commission advised to not use funds on unidentified future arts projects. **Mayor Hart** referred to Ivins City's application letter and the new City Hall being done this calendar year and wanting some additional art for the new City Hall. **Dale Coulam** indicated that the new City Hall is supposed to be done in September of this year and the City will need to furnish the new City Hall and put artwork up around that time. **Council Member Johnson** suggested that the funds be divided equally for the three (3) applicants because the City does need to move the round-about statue to the new City Hall and does not have the exact costs for that. **Judith Kapuscinski** appreciated what Council Member Johnson was saying but commented that they have two (2) applicants that have requested $10,000 each after enduring a very hard year and there is still over $7,000 available for the City to relocate the round-about statue and indicated that she had concern and objection to that suggestion. **Council Member McDonald** stated that he understood that it was a hard year for the arts but that it has been hard for many people. It is prudent for the City to save that money and use it for the new City Hall because the City is still going to need more art for the new City Hall. The City should put that money aside and save what the City can this year to apply, to the new City Hall. **Mayor Hart** inquired if he was suggesting that all available revenue go to City Hall art. **Council Member McDonald** indicated no and that he would support a certain amount to the other two applicants. He suggested $5,000 each to Tuacahn and KAFT, with the remaining to Ivins City. **Council Member Gordhammer** stated that the Arts Commission has made their recommendations and she felt that it was the Council's charter to direct the funds to known arts projects. She would not support saving the money for unknown projects and felt that it was the City's obligation to fund the efforts in front of them. She supported the Arts Commission's recommendations. **Council Member McDonald** indicated that the new City Hall is not an unknown art project. The City has known it for years and he has tried to do his best over the years as this discussion has come up, to encourage the City to be saving money for the new City Hall because it is a known project. **Council Member Gordhammer** commented that by unknown, the Arts Commission is stating that the project is identified, meaning a piece of art for the foyer, a statue to be located at

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a certain place and similar. **Judith Kapuscinski** stated that was correct and is a specified art project or specified piece of art that the Arts Commission can look at and make recommendations to the Council, based on something the Arts Commission has had a chance to review and consider. **Council Member McDonald** encouraged the Council to be aware that yes this is RAP tax funding, it is tax payers' money and for the City to be fiscally responsible to save in advance, to provide art in a public building, he did not view that as intangible just because the City has not decided exactly what's going to go on what wall and what it is going to look like. It's important to be fiscally responsible with this money and the City has given RAP tax money to Tuacahn and KAF already this year so the City is entitled to saving a greater portion for a known project. **Judith Kapuscinski** indicated that if the City has a piece of art they want to purchase or place, the Arts Commission should be involved at that time because they make recommendations to determine whether that's a piece of art, if it's appropriate and where it is to be placed. **Council Member Johnson** referred to her prior comment regarding dividing the funds among the three (3) applicants and stated that there is more involved to moving the round-about statute. The area has to be prepared to move the statue, the area where it is going to be placed has to be prepared so she did not think that it was too much to request dividing the funds equally into three (3).

MOTION: Council Member Gordhammer moved to approve the Arts Commission's recommendations to provide Arts RAP Tax funds in the amount of $10,000 to Tuacahn, $10,000 to KAF and the remaining $7,383 to Ivins City for relocation of the statue.
SECOND: Council Member Mehr

There were two (2) who voted in favor. The motion failed for lack of a majority.

MOTION: Council Member Johnson moved use the RAP tax funds of $27,383 and divide that by three (3) in equal parts to Tuacahn, KAF and Ivins City
SECOND: Council Member Larsen
VOTE: The motion carried.

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

Judith Kapuscinski indicated that there will be two (2) openings on the Arts Commission for two (2) or three (3) year terms, starting April 1, 2021. **Council Member McDonald** inquired who choses who is appointed to the Arts Commission. **Mayor Hart** stated it is with the advice and consent of the City Council so the City Council has the final say.

C. Discuss and consider authorizing moving forward with Public Infrastructure District (PID) financing as public assistance for Black Desert Resort at Entrada

Mayor Hart indicated that representatives of the developer and the developer's team were present in the City Council room and Ivins' expert, Benj Becker with Zions Public Finance (Zions), was in attendance via the electronic "Zoom" platform. **Benj Becker** reported that Zions has been asked by Ivins City to look at what has been presented by the developer and to share their recommendations and thoughts on the project and help provide the Council with some critical questions so that the Council can make sure are answered in the Council's mind. There

has been a substantial amount of work put in by the developer team and all of their consultants and he felt that they have been interested in details and have done a very good job in trying to be open with their information. Zions' position is that they have felt that from the beginning this is a very transformative development and has great potential for Ivins City. Some of the assumptions the development team made for public benefits, Zions felt that those were on the conservative side and Zions typically errs on the conservative side so they were happy to see that from the developer's perspective on some of the assumptions from retail sales tax and the hotel and tourism taxes. He referred to Zions' presentation, which is available as an attachment to this agenda and indicated that Zions regularly reviews development proformas for different cities throughout the State and there were a few items that stuck out to them that the Council should consider. They have only been looking at some of these numbers for the better part of a month or month and a half and some of the project costs, values and sources have changed notably since original presentations in late 2020. Zions recognized that as the development team has come to understand the restrictions or barriers or different nuances of the market, their project has changed. A good question for the Council from the developer is what are the key numbers that are being requested, in terms of Public Infrastructure Financing and the Tax Increment Financing, which are two funding sources that the developer is looking for. The plans are being finalized so that the numbers will be more concrete and a specific timeline for construction bids; understanding when the bids have been provided, if they need to be updated, how realistic they are with current market conditions, and making sure those construction bids are coming from sources that the City is familiar with and comfortable with. The key consideration for Tax Increment Financing is based on the perceived benefit of providing covered parking. It's the difference in a project that is surface parked or covered parked and that covered parking is significantly more expensive than surface parking and that is creating a financial gap in the project and the ability for the developer to move forward without assistance. A lot of it is largely based on a need for covered parking. From the developer's perspective, and Zions understands this, the covered parking helps provide a different level of service in amenities and usage of the site that can't be attained through the surface parking. Zions directed the Council's attention to the cost of covered parking. The cost is approximately $40 million dollars for 1400 spaces and equate to approximately $28-29,000 thousand dollars per parking space. In comparison to surface parking, the approximate cost is $35 million dollars. Zions did not argue with the costs or the need for covered parking but wanted the Council to be comfortable with those construction cost bids because it's really the $35 million dollars that ultimately needs to be accounted for and bridged as part of the gap, through Tax Incremental Financing. Feeling a level of comfort that the parking is going to add that much of a benefit to the project, that it's worth the City using the tax increase in the taxable value of the property, is important. **Mayor Hart** referred to the underground parking creating the opportunity for the culinary village to be built above the parking area and inquired if Zions' analysis to date is strictly associated with parking and not any potential advantage in having what would be occur above the parking. **Benj Becker** clarified that what Zions is showing is just the cost of the parking, recognizing the difference between structure and surface. They recognized the point that the project would be losing site, utility and the ability to add some amenities if the project does not have that structured parking because the space above it can be used, better position the site and create a better amenity. He clarified that Zions has not looked at what would be the value loss, and there is certainly a high degree of subjectivity there, if the developer is not able to have the full benefits of that culinary center or if the culinary center has to reduce its footprint. They have not

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looked at that. Currently they are just making sure that the City is comfortable with those construction costs for parking and the value that they add. **Mayor Hart** inquired what the average parking stall cost was, recognizing that building a covered parking structure in lava likely compounds the problem and the cost. **Jason Burningham** with the firm of Lewis Young commented that they have looked at these structured parking elements all over the State and they can range anywhere from $25,000-$30,000 thousand plus dollars so the cost that has been indicated is right in line with what they are anticipating, although they are working in some terrain that is different and creating a little more obstacle in terms of the overall cost but they are comfortable with that cost right now. He indicated that what Benj Becker was pointing out is that there is a cost to building a structure underground. He commented that Mayor Hart made a great point regarding what would be lost by not building underground parking and stated that 70.000+ square feet of retail would be lost and the equivalent of approximately 16 restaurants that would not be built because of the surface parking rather than underground parking. **Benj Becker** agreed that structured parking costs are anywhere between $20-$30,000 plus per stall so the $28,000 per parking stall, in and of itself did not stand out as being uniquely high. They want to make sure that the City knows the number that is the gap that needs to be bridged, in order for this project to be successful, otherwise he did not think there was sense for Ivins to be contributing money that is above and beyond what is necessary to make this project feasible. His job is to consider all of the ways in which Ivins tax dollars can be protected and secure and this is just one point to look at to make sure the Council is comfortable with it. **Mayor Hart** indicated that in an earlier presentation that was made by the developer a few months ago, the point was made that conventional financing of a parking structure like what the developer is proposing, was not available or nearly impossible to finance because it is not income producing. **Benj Becker** clarified that they do loan on a lot of structured parking but there are not a lot of parking garages in Southern Utah like the one being proposed but he would not say that it was impossible to finance and it is not that unique. He referred to returns and commented that all comes down to what is the return that is necessary for this project to happen as proposed and how can Ivins participate in making sure that the project is done as proposed or as seen as the greatest benefit to Ivins. The market on a project like this would require a rate of return of 20-25%. The higher that rate of return, suggests greater risks associated with receiving the cash flows to the property and a slight increase has been seen in required returns on properties like this, due to the uncertainties of the pandemic in the long-term of what it does to market conditions, particularly in resort and hotel-type markets. If you look at the numbers that the developer has provided in the phase 1 timeframe, using the request for the PID and the CRA, from 2021-2028, it produces a 24% IRR (Internal Rate of Return), within that required market range. If that is extended out another year, it's within that same frame. If you look at a phase 1 scenario with the PID that has been requested, and then a partial amount of what has been asked for the CRA, from 2021-2029, that results in a 21% IRR. He cautioned the City Council that an IRR changes based on a lot of different assumptions and when costs are incurred within the timeframe and when cash flows are achieved so there is a degree of subjectivity to an IRR but Zions' recommendation is to figure out exactly what that number is from a CRA standpoint, to know what is necessary to get to that IRR that would satisfy the requirements for this project. Determine that dollar amount to create an IRR somewhere in the 20-22% range. If that is ultimately satisfactory to the developer and to those that are raising capital for it, there isn't sense to be using public tax dollars to enhance a return of what is necessary. They are not indicating that the developer is trying to do that, they are representing Ivins and suggesting that

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this is a strategy the City should use in order to fully understand where those tax dollars are going and what total amount of those tax dollars is needed to bridge that gap. Then, when that number is identified, then a participation rate and the length of the CRA can be determined by that identified gap. It is paramount to start meeting with the taxing entities to share the vision and need because this is a very large consideration for them and it is a significant amount of money being asked for and raised. There needs to be a detailed understanding of the phasing and what triggers future phases. The developer has put out an expansive list of frequently asked questions and has provided quite a few spreadsheets but to internally have a very good understanding of the phasing, when it will be triggered, what causes it to be triggered, how the future phases are going to be financed and make sure that essential payback period or that the CRA ultimately occurs as planned, is important so that the City is very aware of the taxes and in what amounts.

Mayor Hart indicated that there are a number of misconceptions and speculations based on the comments he and the City Council members have received. He wanted to make sure that the Council was basing this decision on facts and not myths. There has been discussion regarding legitimacy of this type of use and in studying and understanding what the legislature did, it sounds like these tools were historically applied to blighted areas in larger cities but he heard an explanation that the tools are used to improve the utilization of underutilized of areas in a City, whether they are blighted or nothing is on the property. He requested an explanation of what the legislature intended with these tools. **Jason Burningham** clarified that what's evolved over time from the State's perspective is not much different than what has occurred in other states. Traditionally one thinks of redevelopment as going into an area and revitalizing it because it has some kind of an impediment like a blight. When the original legislation was created in Utah in the 1970's, the primary purpose was not only blight removal. The legislation has evolved over time and communities started sensing that blight was a very small fraction of what the need was for local government. In a lot of cases it was underutilized property that didn't have public infrastructure that could be financially meaningful that could be funded. The legislation used to be called the Redevelopment Act and in the early 2000's, it was modified to be called the Community Development and Renewal Agency Act. At that point the concept of community development, economic development and reinvestment was introduced, along with the redevelopment component for blighted areas. The legislation further evolved in 2015 to what it is currently, which is the Community Reinvestment Agency (CRA). That still has a redevelopment component but the CRA is much broader than that. For projects areas that were created prior to 1993, approximately 1 in every 3 of those projects, or approximately 33%, were blight oriented projects. Since 2000, there's less than 10% that have been used for blighted areas so 90% or more have been used for community purposes where underutilized property was turned into more beneficial property where infrastructure and similar was installed. Parking structures have been one of those elements that have significantly been funded through this type of tool and have allowed several more projects to be more beneficial to communities. From a statutory perspective, what is being requested is consistent, not only with the practical use of what it is, but the legal use. He hoped that redevelopment and blight were not confused as the only purpose or vision of what the tool was intended for, in fact that was the minority and much more broader use of it is certainly what's being used over the past couple of decades. **Mayor Hart** commented that he has researched this County by County and could not find very many projects that were used for blighted projects. There were a few in Salt Lake and Weber counties but the majority of the projects were the other use that was described. **Jason**

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Burningham stated that both Zions Public Finance and his firm does a fair amount of blight studies, which are also known as development impediment studies, those are very infrequent uses. There are a couple of reasons why they don't see the tool used much for that. Removing blight wasn't the main need for municipalities and the second factor was that legislation became more difficult to determine blight. **Council Member Mehr** wanted to clarify because the point he has been making is that while this site (Black Desert Resort) doesn't meet the standard of blight, the developer doesn't need to establish blight to obtain tax enhanced financing because that's just one of the many tools that a developer can use to obtain additional financing. **Jason Burningham** indicated that was correct and stated it's not even the major reason of why a CRA or project area would be created. **Council Member Mehr** requested a point of order, commenting that the agenda item that was being discussed was the PID or the TIF because they are two separate agenda items. **Mayor Hart** commented that his questions were in general but suggested they focus on the PID and requested that Benj Becker respond to the PID portion of this and what his opinion is about that. **Benj Becker** stated that the PID tool is a great new economic development tool that is fairly new to Utah but has been widely used throughout other states. There is no financial burden for the City or any of the taxing entities with a PID. A PID creates a separate taxing entity and is allowed to issue bonds based on the assessed revenues associated with that development. It will create greater taxes for the people who live in the designated area but for that increased payment, they will have access to amenities or a better overall development than they may get not living in a PID area. As long as City has a very well put together PID policy where the City understands the nuances of how it will work over the next several decades, the City is represented well with the PID board and that the City is comfortable with the amount, the PID is a valuable tool that they are seeing being implemented or considered in many cities throughout Utah. **Mayor Hart** inquired of Benj Becker as Ivins' advisor, if he's suggesting that this is something that he feels positively about for the Council moving forward with, this portion of it. **Benj Becker** clarified that Jon Bronson and Mark Anderson share that same opinion but indicated that he has not seen Ivins' PID policy and stated the City would want to make sure that's a document that the City is very comfortable with; but in terms of adopting a policy to move forward with the ability to agree to PIDs, he certainly agreed. That is the feeling of Zions and was felt to be a smart move for the City because it allows the City an additional option. **Mayor Hart** inquired what would be involved if the Council determined that they wanted to move forward with this (PID) financing tool. **Dale Coulam** stated that Randy Larsen is Ivins' legal expert and helped draft the PID legislation. indicated that the City should start with a PID policy, which Benj Becker mentioned. After that, if the Council is going to move forward on this project, the City would have a governing document. The next step is to create a policy and then the governing documents. The CRA with the TIF, the Council needs to know if the other taxing entities are willing to play ball and if they're not, then this discussion is over as far as the CRA. If the Council is saying "no" to a TIF completely, there is no sense of going to the taxing entities. If the Council thinks this may be a tool they want to use and to see Plan A come to fruition, the Mayor, with the developer, would approach the County and the School District and see if they're willing to participate. In the meantime, the City would be answering those questions that Benj Becker brought up and finalize the key numbers so that when the City knows what the School District and the County are willing to do, the City is ready to say yes or no with a solid foundation. The City has a lot of the answers but has not pinned down everything on the CRA and he would not recommend forming that until the City knows that the County and School Board are on board. There are two different tools and when it comes to the Council's approval,

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they have to ask are they willing to use a PID to tax those who buy within the development and it's just the development area subject to the increased tax. **Mayor Hart** asked City Council Members to weigh in on the PID. **Council Member Mehr** inquired if the same "but for" requirements need to be met for the PID as they do for the TIF. **Benj Becker** stated no because the PID is a completely separate taxing entity with different rules and statutes. **Mayor Hart** commented that anyone who would invest or buy into the project area would know that the PID exists and would be paying more taxes than residents outside of that area. **Jason Burningham** indicated that was correct and commented that the main reason why the PID still works is because of the amenities added into the project and the purchasers purchase the units because of the enhancement. Regarding the PID, the first and foremost question is does the City Council think that the PID tool might be beneficial and if so, a policy should be created as previously referenced by Ivins' legal expert Randy Larsen. **Mayor Hart** inquired as to the inclination of the Council. **Council Member McDonald** referred to Ivins resident Sharon Barton sending an email to the Mayor and Council regarding concerns that many times when this type of funding was used, the projects generally fail and inquired if that was correct. **Mayor Hart** commented that they were discussing the PID currently but would address that later. **Council Member Johnson** referred to a lot of residents being concerned that the PID will raise their taxes but clarified that it would only increase the taxes of those that are in the PID area and not the existing residents. She was in favor of proceeding with the PID. **Council Member Gordhammer** commented that that was an important point to bring up because she has heard the same thing regarding increasing existing residents taxes. The other issue she has heard with the PID besides the policy is individuals buying into Black Desert need to know in advance of the additional tax, otherwise it could be looked up negatively on the City and encouraged the Council to keep that in mind. Other than that, she was in favor of the PID. **Mayor Hart** inquired at what point in time a purchaser would know about the higher tax. He assumed at the time of closing but inquired what other guarantees the City would have that buyers would know well in advance of the higher tax. **Damon Georgalos**, Chief Legal Officer for the developer, stated that on the REPC (Real Estate Purchase Contract) for each of the residential units, that there is a Disclosure section that clearly discloses the additional PID assessment that will be on that property and will remain with the property by using a REPC in subsequent sales that contains that type of Disclosure. It will also be disclosed to any potential buyer before any purchase agreement is signed. **Jason Burningham** clarified that a buyer could not purchase the property without full disclosure and knowing that. **Council Member Larsen** indicated that he was in favor of the PID and felt that the PID tool was appropriate for the developer to use because the PID would be contained in a specific area for that development. **Council Member Mehr** referred to the financial situation that was presented by Benj and inquired if that took into account the revenue coming from the PID. **Benj Becker** stated that yes it did. The developer has made an assumption there of not using the full legislatively allotted amount for the PID. The City can assess up to .015 or 15 mils but the developer has gone notably below that at less than half. **Council Member Mehr** inquired how they as a Council can jump to a conclusion and say they're good with the PID when they don't understand the finances of the TIF because they have gone from Plan A looked worse than Plan B and now with some tweaks to the proforma, Plan A is now the glowing report. The City has not heard anything about why that is or what assumptions have changed. He had a big concern about precedent and every future developer coming to Ivins and wanting to be treated the same, which would be reasonable to expect so every future development in Ivins is going to have a PID request and he inquired what the

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unintended consequences were and what does that do to affordable housing? The City does not know indirectly and inquired if Ivins is trying to become a Park City resort or is Ivins trying to maintain its identify as a bedroom community with some resort amenities. Before they as a City Council can check the easy box off, the Council has to understand the financial assumptions that are being presented and understand the gap more. **Council Member McDonald** heard Council Member Mehr's concerns but commented that by agreeing to moving forward, the Council is not agreeing to everything but on the flip side, once the City starts the process and without full knowledge, the City may be too excited to stop moving forward, although he has already hear three (3) in favor. He had to err on the side of caution and agree with Council Member Mehr and continue to study this out and see what the possible side effects are. **Mayor Hart** clarified that it would be creating a policy. **Council Member Mehr** stated that it's a commitment of time and resources. **Council Member Larsen** inquired if this was something that could be done on a case by case basis. **Dale Coulam** stated the Council could choose not to do a policy document and do it on a case by case basis but that generally is the purpose of the policy document that they establish what would qualify for a PID. **Patrick Manning** indicated that Plan A would be $8 million dollars in revenue to the City so they are asking the City for them to be able to move forward and work on the governing documents. They are working with a very large Utah based contractor, as well as investors and partners that have built over 600 hotels and are familiar with bidding and sourcing material and supplies. **Council Member Mehr** stated that the Council is committed to the success of the project and they want it to be the very best that it can be but they have to be cautious. He referred to the numbers provided by Patrick Manning and inquired if Jason Burningham validated the assumptions that the developer is using and if he agreed with them. **Jason Burningham** indicated yes, absolutely. He clarified that the major differentiation that happened in the model was understated property tax revenue that would come from the completed $900 million capital investment. They had always determined that there was a benefit of Plan A over Plan B, yet it was marginal. When they realized that they did not have all of the property tax that was accurately depicted or calculated in the model, that's where they went from a more broadly, over a longer period of time, it was a net benefit, to it is a substantial benefit every year. **Council Member Gordhammer** referred to the idea of Ivins City participating in a project that is in the travel and leisure industry at this point in time and inquired of Benj Becker if there was additional risk in his mind associated with that, given the hit that industry has taken in the last year. **Benj Becker** commented that there certainly is risk associated with that and that is part of the reason why the developer is looking for funding assistance. For Ivins City, the risk would be receiving the benefits from that, whether it's a more delayed process or whether the market rebounds sooner, when the City would receive those public benefits that have been shown to the City through this process and when the City would receive the tax increment that comes from the hotel resort, that might be delayed if the market for resort continues to be tumultuous. Since looking at this project, Zions has been pulled into another project in Washington County where a hotel developer is remarkably optimistic about the higher end resort market. That is another perspective but in the last couple of months they have been pleasantly surprised at the amount of capital investment that is interested in Washington County, particularly the higher-end luxury hotel market. There are some signs pointing to continued demand in the Washington County area. **Jason Burningham** provided a presentation to the Mayor and City Council. A copy of the presentation is available as an attachment to this agenda. He clarified that one of the reasons they suggested using the PID tool, was to remove any risk from the City. These projects are created all the time and often the City funds some of

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the infrastructure improvements. They then do have the risk. The PID was a tool that they worked closely with Ivins' representative Randy Larsen on because they noticed that it could be a very significant, beneficial and economic tool to local government. Instead of the City taking the financial risk, that would be pushed on the PID. In this proposed project, the developer is taking the risk or the bond holder who is purchasing the PID, is taking the risk and not the City. What they have asked for consideration on is the authorization to move forward with the Public Infrastructure District (PID). They would also like to know if the County and the School District are interested and they believe that the School District generates more net benefit than Ivins City would because they get the benefit of the high tax base but not a lot of school aged children that the School District would be servicing. He would like the City Council to allow the developer, along with the Mayor, to go to the County and School District and present their case for why they need the CRA. **Council Member Mehr** inquired if it is even consistent with the County's policy to incentivize retail or residential developments, or is it really something else that they would want to incentivize and thus want to participate. **Jason Burningham** indicated that is part of the discussion they would have with the County. The County has certainly participated in retail oriented projects but have been more destination driven. The majority of the sales tax that is going to be generated is coming from those outside of Washington County. This is very consistent with the policy that the County has. He has had some initial discussions with the County Commissioners and have told them that this is a once in a lifetime project. A $900 million dollar project is unprecedented and is not seen in the State of Utah except for Salt Lake City and maybe Park City. Part of Plan A is they are trying to do this project in a responsible way. It is not the idea of bigger is better. The idea is to use the natural landscape to set aside enough open space. They have this large land conservation area where they are going to put in trail amenities and create the desert boardwalk. If parking is underground, that encourages people to park one time and stay there for the duration of their stay. They believe that the impact on Public Safety, transportation, roads and similar is significantly minimized by Plan A and will make it a much more conducive project to all Ivins residents. Plan B eliminates that opportunity and converts the parking to surface parking and then the amenities to support the people staying at the resort will not be there. There's a qualitative aspect of Plan A versus Plan B and there is a differentiation in the economics and there is a significant net benefit for Plan A. With Plan B, between 70,000 and 100,000 sq ft of retail is lost. **Council Member Mehr** asked for clarification regarding underestimating the property tax value and allowing the boardwalk over the parking garage is going to somehow change the property tax. **Jason Burningham** clarified that Plan A has an extra 100,000 sq ft of retail space, consisting of an estimated 14-16 restaurants, but if they surface park all of that, they lose all 100,000 sq ft of the retail space and the associated sales tax and property tax. **Council Member Gordhammer** regarding the extra 100,000 sq. ft. of retail, she was confused as to why there's the need for all of the surface parking. **Damon Georgalos** clarified that they still need parking for the existing residential. **Council Member Mehr** inquired how much retail is in Plan B. **Damon Georgalos** indicated approximately 60,000 sq. ft. **Mayor Hart** referred to an important point that Matt Loo tried to help the Council understand and that is the question of what is Ivins' vision so the question really is what is the vision that Ivins City has? They need to be thinking about how they make this successful. He hoped that as they go through this, that they not lose sight of the fact that the vision is the most important part of this. **Council Member Gordhammer** commented that she clearly understood the vision but the numbers have to work and that's where they're seeking the clarity, is to understand do the numbers work to support the

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vision? What she's hearing from the residents is they are not inclined to participate and they don't necessarily love the vision. The other question related to the retail essentially going away in option B, they are looking at a $900 million dollar difference between Plan A and Plan B and looked at the average of over 30 years and over 50 years. She would assume that the benefits of sales tax and similar associated with the culinary village, would have been more and inquired what she's missing. **Jason Burningham** stated that she was capturing the essence of it. There's some retail that's part of it, along with a major resort hotel that generates a significant amount of it. As an example, if you take the 16 restaurants compared to the resort hotel, they're not in the same ballpark. A lot of the benefit is coming from the resort center and he would speak to the sustainability of the two plans. The City could go with Plan B but they will not have a long-term success with Plan B. They will end up blighting it and re-developing it because that is the nature of those types of projects. Plan A creates a longevity for a project with the boardwalk concept and it's proven throughout the country. The financial reality is there's one project that has more tax base that generates significantly more in transient room tax, sales tax and so forth. They might try to pencil it out and say is $8 million really that big of a deal or is $30 million really that big of a deal. The bigger issue is what it costs to go in and revitalize the project without the long-term sustainability. **Council Member Gordhammer** inquired that if time period for the CRA is 30 years, which, when she thinks of a 30 year old retail shopping center, that is not in its prime and that would be about the time that the City would start recouping and that felt at odds to her. She referred to the comment that option A is more sustainable than option B and requested clarification. **Jason Burningham** indicated it's because of the cash flow and not just to the City. The project generates cash flow that can be reinvested in the project and there's more cash flow associated with Plan A that would be reinvested into that project. Plan B is marginal when you get out that long and the only way you reinvest in that is it has to have other sources. **Council Member Gordhammer** referred to the phasing and an explanation of as to when the project is built-out and when that money would start being reinvested and the timeframe for that. **Jason Burningham** stated that could be put together. **Council Member Larsen** commented that he has stayed at a lot of resorts that have a lot of golf courses and amenities but not the shopping like this project. He was supportive of the PID but not necessarily the TIF. He would like to see Plan A built with the PID. **Jason Burningham** stated that the revenue need does not change so they are still talking about the gap of $56-$58 million dollars ad as articulated through the PID with 5.5 mills. That's about half of what the City is paying in tax rate right now, which he assumes is approximately 12-14 mills right now when you add all of the school districts and so forth. If you add 5.5, that's the equivalent of .0055, which is basically a 50% increase to that property tax level. What they have found so far in the market studies is that this type of product will bear likely up to that level. Once you start pushing above that, then it starts becoming a question of is there really a true benefit for the additional tax that is being paid, in addition to the City's tax. He appreciated that they think of the TIF as the tax payers money but the reality is it doesn't exist if the project isn't done. As an example, it's like an investor coming in and saying here's $10.00, take the $10.00 and I'll give you $2.50 and you keep that, invest another $7.50 into the project and then over time you get paid back on the very end get $30 to $100 dollars. Somehow it has been construed that they are taking tax dollars from other residents or from anything but that is not correct. That's why they have requested the PID and only designated it to the Black Desert Resort area so that only the taxes are for those in the Black Desert Resort. Both revenue sources, the RDA and the PID, are on the backs of those tax payers that go and shop at Black Desert Resort and only those that own in Black Desert

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Resort. In the market studies indicate that people want that shopping experience and the golf and other amenities and those users think that's worth paying more in the tax rate. The difficulty is the parking structure. When you go from surface parking to underground parking, the costs increase exponentially financially in the net benefit and the longevity of what that project and that's part of the vision that they are trying to help with and answer and he understood that this is complicated. It boils down to taking the next step because at some point they're burning time. They are out in the capital markets trying to raise funds right now. **Mayor Hart** indicated that another thing needs to be clarified at this point. They keep talking about $56 million dollars and it is really important that they recognize that of that, the City's participation is around $4 million dollars so what the City is actually doing with the TIF and PID, is leveraging everyone else in the county, assuming that the County and the School District are willing to do this, they're leveraging 90% or more participation by others outside of Ivins City. **Jason Burningham** agreed. **Council Member Gordhammer** inquired if in their presentation that it should say that Ivins City contributes $4 million from TIF and not just contributes $4 million. **Jason Burningham** agreed. **Council Member Gordhammer** commented that it is important to mention as well, the benefit of the CRA to affordable housing that is referenced in their presentation. She felt that is a real benefit to the City where 10% comes off the top and goes into a fund for the administrating agency or reinvestment agency, which is the City Council so the City would benefit from Washington County schools and everyone that would come here for use of affordable housing and thought that was by state law but inquired if that was correct. **Jason Burningham** indicated that was correct and a great point. **Council Member Gordhammer** commented that over the life of that, it's estimated to be $6.95 million dollars and that is important to point out as a benefit. **Jason Burningham** stated that whereas other components of the TIF can only be used within the project area, the affordable housing set-aside can be used City wide. **Council Member Mehr** indicated that the tone is that the gap has widened between Plan A and Plan B. He always thought of this as in Plan A, it would be super awesome but if the City didn't have Plan A, they would have an "A-" project in Plan B but that now seems to be characterized as an A and a C. The City has a developer who has a great vision and project and developer is asking the City to participate in a TIF and in exchange for that, the City is going to receive 70,000 to 100,000 sq. ft. of retail space and townhomes. If the City had another developer come to the City and ask for the same thing, he felt that was awful large incentive and opened a box and a road he did not think the City wants to go down. He suggested that the City let the market bear how this goes and start with the soft space surface parking then look at building the parking garage at some point down the road. **Patrick Manning** commented that it is a lot more difficult to look at things in a presentation. He felt like he's fighting for a phenomenal project and is not something they can do later. They either have to do it now or it is forever gone. They cannot dig up the site and build underground parking after they have built everything else out and see how it goes. It's important to know that they are out in the market not just for money, they're also out in the market asking all of the large corporations in northern Utah, and he has spoken to 40 of them himself, and when they're talking about coming to southern Utah with convention space and being able to use the desert boardwalk, they are talking about a sustainability, viability and occupancy percentage that's driving the success of this project out of the gate. They are going to start taking reservations on the convention center and hotel rooms quickly. When those things get filled, and the revenues are generated, that drives the hotel occupancy and convention space, which in turn drives the revenue with the restaurants, shops and art galleries and has a synergistic affect that's undeniable. You cannot simply

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bifurcate that and say let's try it later. **Mayor Hart** clarified that the amounts they are requesting is $25 million for the TIF and $31 million for the PID, with Ivins investing a total of $4 million out of the entire $56 million. **Jason Burningham** indicated that was correct. **Council Member Mehr** inquired as to why in Benj Becker's presentation is the difference $35.5 million to bridge and why are they asking for $56 million. **Benj Becker** clarified that his presentation of $35 million was the cost of the parking structure and the difference from going from surface parking to covered parking, that was that $35 million but that is not to say that all of that needs to be bridged in order to fill the gap. There's a portion of that, and what the developer seems to be saying is that $25 million of that is from a TIF and $31 million is from a PID and there are likely additional gaps that would go beyond the parking. The parking was just one thing they had identified as being a difference of cost from others. **Council Member Larsen** commented that in the research he has done and talking about the market bearing, this is how the market bears with underground parking and retail and it comes down to does the Council want that or not. **Mayor Hart** commented that speaking of wanting or not wanting, he challenged anyone to suggest that Ivins residents want to see that many parking stalls on the surface and he would likely receive emails with complaints regarding that. **Council Member Johnson** stated that she was going to make that exact point. The residents she has talked to did not want the resort initially to come in in the first place, but it's here. The City is going to have Plan A or Plan B and inquired why not have the best plan instead of just a better plan. The City is gaining so much more in her opinion with Plan A than the City would with Plan B. Who wants a flat parking spot as opposed to a culinary village, walkway and all of the other things that go with that? All of the residents that she has spoken with, knowing that they can't say no to the whole project, would prefer the Plan A project with the shops and similar, over the Plan B project and not having a large above-ground parking lot. The Council needs to look at the vision and not just do we want Black Desert Resort because the City has the resort. **Mayor Hart** indicated that there are some really important points to make. He has received a couple hundred emails as it relates to this and commented that there is so much that is just conjecture. In reality, and he has done this from the airport - wherever you, with the exception of traveling from Harmon's, every single time you drive, the directions take you on Snow Canyon Parkway. This project is a few hundred yards into Ivins City and the directions take you to either the Snow Canyon Parkway or the Western Corridor in the future. One of the points regarding the culinary village is that those who come can enjoy the amenities and stay and 99% of that traffic is not going through Ivins City. **Council Member Gordhammer** commented that all of the City Council members are aware of this, but for clarification so that people listening understand, in the developer's presentation, it talks about determining where the funds come from and initially her perception was that it was a tax on the residents of Ivins but this isn't a tax on the residents of Ivins. This is taking the property and saying as it's improved, the value of the property increases. As opposed to giving that, the taxes associated with that, paying that back, the City is going to withhold 75% and 25% the City is going to receive their portion of that but 75% remains for a period of 30 years. It is not an additional tax, it's actually a delay of a benefit. **Patrick Manning** indicated that was correct and commented that another way to state it is Plan B is a net zero, it's a baseline, but Plan A, property taxes that are not currently coming into the City, are coming in at a rate of $12 million dollars during the TIF period, with $4 million of it reinvested and $8 million as a net benefit to the City. **Mayor Hart** stated that he has heard a lot of objections about the scale of the project. There's no question that it's a substantial project and they are not arguing that but he was struct by the fact that of the 300 acres that the developer owns and is developing, there is also a

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piece of SITLA property that is approximately 100 acres and of the total 300 acres, approximately 55 acres consists of the golf course and approximately 45 acres consists of all of the other development. That leaves roughly 200 acres that are not being developed. If a developer was going to optimize the development of 300 acres, the project could be substantially larger than it is. Going back nearly 20 years when the General Plan began to evolve, there were endless discussions about what sort of commercial could the City possibly attract here, and a lot of smart City Councils have addressed this, they determined that they did not want used car lots and similar to what is seen on Sunset Boulevard in St. George. They wanted the cleanest industry that they could bring to Ivins and that is resort development. That does not mean that Ivins is becoming Park City, it just means that the City has a resort component that is going to support the City economically. In his studies of cities that failed to tract any kind of commercial base, sales tax or transient room tax or some other income, all of the burden falls on the residents in the form of property tax. Council Member Mehr has wanted to reduce lowering Ivins residents property taxes at some point in time. If Ivins City fails to develop any commercial, the City will be looking at the reverse of that because as the City ages, and more infrastructure has to be repaired or replaced, that's the only place the City is going to have to go. To him and his personal opinion as an Ivins resident, having tracked development of Ivin's General Plan and thinking that Ivins may have the chance to bring in another Red Mountain Resort or similar, and then have this project here, is probably the most impressive project and not just in Washington County. The City has the opportunity to not just have some resort development, but something that is astonishingly impressive, that people will want to come here and enjoy. **Patrick Manning** commented that they as a company, whether that is Split Rock at Entrada or whichever development company it is, they are still the same group of people. They knew that a lot of these discussions were coming in the future and they didn't go to the City and say we'll preserve all of this acreage if the City cooperates with a CRA/TIF, nor did they say they'd protect the acreage if they got the Western Corridor alignment where they wanted it, they took every single one and did the right thing in their minds, took it at face value and trusted the process. They committed early on for the acreage to be donated to the City as conservation easement and they take the residents comments and responses seriously. They are working with Arizona State University, Dixie State University and Southern Utah University on a long-term study of the breeding habits of the Gila monster on the conservation easement in Ivins and they think that's really cool. At the same time, they are not only putting in 6 miles of trails all through the lava flow and connecting other trails, but they are putting in public restrooms and trail head and are not asking the City or anyone else to maintain. They are being inclusive to the community and concerned about what is the character change for Ivins and is it okay. The reason they have everything the way they do, is for that reason. They have a self-inflicted height restriction off of Snow Canyon Parkway so that they maintain the open viewshed corridor that is enjoyed all the way down Snow Canyon Parkway to the end. When they developed The Reserve, there are homes in there that are 50' higher than the homes that are on Snow Canyon Parkway and when you drive up and down Snow Canyon Parkway, you cannot see one of those homes. Likewise, personally he thought that the culinary village and boardwalk is beautiful and thinks people will love it but he also respects that the residents may say they don't want to see it so they have designed things to not see it. Unless one comes in off of Snow Canyon Parkway and pull down in and go under that pedestrian bridge, you don't even know it's there and has been done as careful design. **Mayor Hart** referred to the next agenda item and commented that there were at least three (3) of the Council Members that would to look at the policy regarding the PID and inquired if the

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Council Members would like him to at least check with the School District and the County to see if they have any interest in this because they are 90% of what's going to be contributed to this cause. Council Member Johnson inquired if they need to vote. **Mayor Hart** inquired of Dale Coulam regarding taking an action and Dale Coulam stated yes.

MOTION: Council Member Johnson moved move forward with the Public Infrastructure District as financing as public assistance for Black Desert Resort at Entrada
SECOND: Council Member Larsen

Council Member Gordhammer requested discussion and inquired if they could modify that to say move forward by developing a PID policy.

MOTION: Council Member Johnson moved move forward with Public Infrastructure District (PID) financing as public assistance for Black Desert Resort at Entrada by developing a PID policy
SECOND: Council Member Larsen
VOTE: The motion carried.

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

D. Discuss and consider authorizing the Mayor to seek approval from Washington County and the Washington County School District regarding Tax Incremental Financing (TIF) for Black Desert Resort at Entrada

Council Member Gordhammer inquired if the County or the School says no they're not interested, if this was over. **Mayor Hart** stated it's over. The County and the School Districts does this all the time and are involved in every single one that occurs in this County and if they say yes, with their experts and so forth, to him that's good support and if they say no, then they may have not been on the right track. **Council Member Mehr** stated let's just be sure they are accurate in what was just said - if the County and the School District say no, it does not mean it's over, it could still mean that the City alone could still proceed. **Mayor Hart** indicated he did not think so because when it comes to property tax, Ivins City controls very little of that. **Damon Georgalos** clarified that technically they could move forward but realistically, it would be dead in the water.

MOTION: Council Member Larsen moved authorize Mayor Hart to seek approval from Washington County and the Washington County School District regarding Tax Incremental Financing (TIF) for Black Desert Resort at Entrada
SECOND: Council Member Johnson
VOTE: The motion carried.

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

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Council Member Mehr	NAY

E. Discuss and consider approval of an expenditure and developer agreement for rehabilitation of asphalt on Taviawk Drive at approximately 200 North and Center street surrounding the Arrowhead Subdivision

Chuck Gillette indicated that there was a correction on one street - it is Kwavasa Drive and not Taviawk Drive. He reported that there are deep structural issues with these roadways and the only way to restore the roadway is to grind up the road, recompact and rebuild it. The developer has agreed to reconstruct the roadway if the City will provide some participation in the total reconstruction and staff supports that concept.

MOTION: Council Member Mehr moved to approve an expenditure in the amount of $30,000 and a developer agreement for rehabilitation of asphalt on Kwavasa Drive at approximately 200 North and Center street surrounding the Arrowhead Subdivision
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

F. Continued discussion regarding Ivins replacement City Hall

Mayor Hart reported that the steel will be going up next week and the forms are being placed for the rammed earth wall.

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

Mayor Hart reported that there has been a little reprieve at the hospital. Regarding the vaccine, it is not easy to get an appointment because Washington County receives 2000 doses a week. Those does go to healthcare workers, first responders and those over the age of 70 and there is a significant number of residents in Washington County over the age of 70 so it will likely be awhile before those over 70 are vaccinated. **Mayor Hart** indicated that the Miss Ivins Princess Pageant will be held in the Hafen Theater on February 27, 2021, under the Governors guidelines for gatherings and Tuacahn has backstage protocol for ongoing productions that are high standards across the country so they are going to move forward with the strict enforcement of those requirements.

6) CONSENT AGENDA

A. Approval of City Council Meeting Minutes for January 7, 2021

MOTION: Council Member Johnson 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

DRAFT

8) REPORTS

A. Council

Council Member McDonald reported that the Washington County Solid Waste District and the County are working to put together a clean-up crew because they lost the crew that was previously used from Sheriff's office. They are looking at some other options to provide road cleanup throughout the County and run a test for the remainder of this year to see how it goes and whether the County of the District will control the program.

There were no other reports.

B. Mayor

Mayor Hart reported that it was brought to his attention that there are comments on the NextDoor social media application that somehow he is reaping a financial benefit from the Hub Disaster Boxes. He disclosed that he has not made a penny on those, is not reaping any financial rewards, but he has invested hundreds of hours into the project. They were constructed by the City and purchased by the City. An individual at the Innovation Center at Dixie State University saw the box and commented that they could benefit other cities, especially those located in areas of tornados and hurricanes, and encouraged the Mayor to patent the box. He has filed a patent that is pending and if it were to be patented, there would be a royalty to Ivins City but he personally would not receive any financial gain. Wilson Jimenez and Paul Wheeler have significantly contributed to the creation of the boxes and have been named as contributors on those. **Council Member Mehr** referred to the listed fine on the box of $1,000 for tampering with the box and inquired if that was something that the City Council agreed to. He agreed that the fine needs to be enough for people to be dissuaded but he has observed children in the neighborhood looking at the box out of curiosity. He would hate to see a 9 year old be slapped with a $1000 fine. **Dale Coulam** clarified that it is defined in State Statute as a Class B Misdemeanor with a penalty of up to $1,000 and time in jail of up to six (6) months. **Council Member Mehr** hoped that the punishment would not be too heavy handed.

C. City Manager/Attorney Dale Coulam

Dale Coulam reported that he received an anonymous letter regarding the placement of political signs. Ivins Ordinance addresses political signs not being allowed in the City right-of-way but the sign is located on private property, it is considered First Amendment speech and is not prohibited.

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 9:07 p.m.

Respectfully,

Kari Jimenez

Ivins City Recorder

DRAFT