

**SANTA CLARA CITY COUNCIL WORK MEETING  
WEDNESDAY, JANUARY 5, 2022  
MINUTES**

THE CITY COUNCIL FOR THE CITY OF SANTA CLARA, WASHINGTON COUNTY, UTAH, met for a Work Meeting on Wednesday, January 5, 2022 at 5:00 p.m. in the City Council Chambers of the Town Hall at 2603 Santa Clara Drive, Santa Clara, Utah.

Notice of the time, place and agenda of the meeting was provided to the Spectrum and to each member of the governing body by emailing a copy of the Notice and Agenda to the Spectrum and also, along with any packet information, to the mayor and each council member, at least two days before the meeting. **The Meeting will be available to view live stream on the YouTube link: [http://www.youtube.com/channel/UCxLBLm30\\_XLqM1AEmhpcMA](http://www.youtube.com/channel/UCxLBLm30_XLqM1AEmhpcMA).** Council Chambers will be available to residents, but we will have limited availability and follow Covid-19 guidelines.

Present: Mayor Rick Rosenberg  
Council Members: Jarett Waite, Christa Hinton, Ben Shakespeare, Denny Drake and Leina Mathis  
City Manager: Brock Jacobsen  
City Recorder: Chris Shelley

Others Present: Dustin Mouritsen, Public Works Director; Gary Hall, Power Director; Kristelle Hill, Admin. Assistant; Jim McNulty, City Planner; Cody Mitchell, Building Official; Cara Taschuk, Interim Fire Chief; Matt Ence, City Attorney; Michael Hinton; Kristen Walton

1. **Call to Order:** Mayor Rosenberg called the meeting to order at 5:09 p.m.
2. **Introduce Incoming Council Members Christa Hinton, Ben Shakespeare and Mayor Rosenberg.**
3. **Communications and Appearances: None.**
4. **Working Agenda:**
  - A. **General Business:**
    1. **Introduction of New Police Officers.**

- Mayor Rosenberg said that Chief Flowers is ill tonight so the introduction of the new Police Officers will be put off until a future meeting.
    2. **Fiscal Year 20\_21 Audit Presentation by Hinton Burdick.**

- Steve Palmer, Partner at Hinton Burdick CPA's, said they have recently completed the City's Fiscal Year 20\_21 audit. He is here to report to the Council on how the audit went. He said the city resoundingly passed the audit. He said in conjunction

with the audit there are several reports that they issue. The first report is the Independent Auditors Report. It is in this report where they communicate whether or not the city has passed. They do this by issuing an unmodified or clean opinion on the City's financial statement. He said it is their opinion as independent auditors that the City's financial statements present fairly the City's financial position and the results of operation for the year ended June 30, 2021. They are required to issue a secondary Report on the City's Internal Controls over Financial Reporting and on Compliance. He said there are several different categories of findings that can potentially be issued with this report with the most significant being material weaknesses. He said he is pleased to report that there were not any material weaknesses to be reported. He said a lesser degree finding they can issue is a significant deficiency. There were two findings that they issued. One regarding audit adjustments and the other regarding capital assets. He said if they go through their audit procedures and identify adjustments that need to be made to the City's financial records in order for them to be presented in conformity with the accounting standards, the auditing standards, that is considered to be a significant deficiency. He said he has very few clients that do not receive this finding simply because there is so much financial information, and the standards are so complex it is really rare that we go through an audit and not find anything that needs to be adjusted. He said they do choose to bring this to Council's attention but at the same time it is not anything that is terribly unexpected. He said the third report they issue is on the City's Compliance with State Legal Matters as they pertain to finances. They issued an unmodified or clean opinion there as well. He said there was one instance of non-compliance that is included with the findings and recommendations in that the General Fund exceeded their budget at expenditures by about \$1,458,728. That is due entirely to the city having refunded \$2 million of debt during Fiscal Year 21. He stated that when an old debt is paid off even though a new debt is brought in and refinanced it for better terms, they still have to report that principal payment to retire the old debt as an expenditure and that wasn't budgeted for and that is what caused that finding. He said the total net position or equity of the city was about \$41,900,517 as of June 30, 2021. He said over time looking at the trend of these numbers it is a good indication as to whether or not the City's financial health is improving or deteriorating so for the year ended June 30, 2021, the net position increased by \$2,728,413. That is comprised of the governmental activities, meaning the General Fund, grants, capital projects etc. which increased by \$974,188. The net position of business-type activities such as water, sewer, electricity, etc. increased by \$1,754,225. He showed graphs to the Council of where the city is currently to where it has been over the past few years. Over time the funds' assets and equity have been very stable and been increasing at a very healthy margin. He said there was a blip in assets in 2019 which was kind of an anomaly. The City issued debt in 2019 and cash went way up but it wasn't spent until FY20. He said the overall the trend is very positive for the General Fund. He said in the Water Fund there is a good margin between the operating revenues and the operating expenses. We want to see a margin there so those funds are able to accumulate the resources they need for future improvement. He talked about the cash trend for the Water Fund. Cash decreased because the water fund had a significant amount of capital outlay during FY21. A lot of money was spent on capital assets and those items are not immediately expended and put on the balance sheet as an asset and then depreciated over their estimated

useful life, so the expense is recognized over the years, but those assets provide service for the city. Next, he talked about the Sewer Fund. There is a good margin there between revenues and expenses. There was a peak in 2020. That was when the City received a pretty significant contribution from a developer in the sewer fund and that caused the revenues to jump up a little bit more than expected. He showed a graph of the cash trend for the sewer fund. He next talked about the Electric Fund Operating Revenues and Operating Expenses. They both increased by a pretty good margin. Revenues were up by about \$700,000 and expenses were up as well mainly due to increased costs of power. He showed a graph for the cash trend of the Electric Fund. The last graph he talked about was for the Storm Water Fund. There was a spike in 2019 which was a result of the grant revenues the city received from FEMA from the landslide. He said there is a slimmer but still acceptable margin between operating revenues and operating expenditures. The fund is operating with net income. He also showed a graph of the cash trend for the Storm Water Fund. He thanked the city for allowing them to provide these services and for the Staff's help.

### **3. Power Cost Adjustment (PCA) discussion.**

- Gary Hall, Power Director, reminded Council that we have had this discussion a couple of other times. He said Mike Johnson from Utility Financial Solutions, is one the line tonight. They met Monday with Christa Hinton, so she is up to speed on this. He said the power cost adjustment is a tool we can use to recoup some of the cost of the fluctuating power market. Last year the market was really high, and we lost quite a bit of money that we cannot recover. We can try to recover it if Council wants, and it depends on how we want to implement this PCA if we decide to go this route. He showed Council the UAMPS report he got in December. It shows the spike in 2000 and 2001. They are predicting this again in July 2022 and could be even worse than that previous spike. He showed a chart of the forward market prices which shows what prices are predicted to be this year. He said that high-load hours are 8 a.m. to 11 p.m. Mondays through Saturdays so averages during these hours are in the \$260 range. They are normally around \$50 so prices are looking very high for next summer.
- Mayor Rosenberg asked about the spike they are projecting this summer. Is it just because of less generation out there? Why do they think it is going to exceed what happened in 2000 and 2001?
- Gary Hall said UAMPS said it is because of the market price and fuel prices and everything else going on.
- Denny Drake asked if there are more plants going offline.
- Gary Hall said San Juan will be going offline in June and Enchant was going to pick right up but it was held up. They were going to take over that plant and do a carbon-capture technology there to keep that plant running and there is a hold-up right now.
- Mayor Rosenberg talked about the water levels in Lake Mead and Lake Powell and how that will affect the market.
- Leina Mathis asked if any adjustments were done to the two generators that we are going to have coming on. Has Gary looked at those numbers, because we are going to have additional opportunities to do our own power, to see how much more we can produce to reduce the amount we will have to purchase?
- Gary Hall said we will have almost 9 megawatts that we can generate and that will

help us this summer. They will be run as much as they can depending on fuel prices. Gas prices are at an all-time high right now too. Fuel prices are at around \$5.30 a dekatherm right now. He said he and Kristelle Hill will be working together to figure out how efficient we can run the generators.

- Brock Jacobsen, City Manager, said we will be 5 megawatts (MW) less in the market with those additional MW. That will be a savings. He said depending on the strike prices of running those generators we might be able to sell some power back into the market.

- Gary Hall said our run hours are normally about 11 a.m. to 8 p.m. so we may increase that to sell that excess if we can.

- Mike Johnson, UFS, went through the slides of the PCA for a review for Council members. He said this is introducing a mechanism to recover all the costs from the power supply. If the power supply goes up, you want to capture that from customers. If it goes down, we want to give it back to the customers. It stops the utility from being a risk and shares the risk with the customers and considering the volatility of the market at the moment it is a good time to be introducing such a mechanism. He said most utilities already have this type of mechanism. He talked about the mechanism they have set up for the city. If the power supply goes up, we would recover those additional costs that are incurred for 6 months, each month for 1/6<sup>th</sup> of it. The same would be for giving it back. If we did this on a one-month basis it would create huge bills and huge credit. He talked about how the PCA is calculated. He said we look at the difference between the rolling average and the base is the PCA for that month. If power costs were less than the base, customers will receive a bill credit. If power costs were higher than the base, customers will have a bill charge for the unrecovered power costs. Due to timing of Power Supply Invoices, the PCA implemented may be based on lagged invoices – for example, October’s PCA is based off Feb – Jul invoices. He said that for every kilowatt hour the city is selling at the moment we are under collecting 2.28 cents.

- Gary Hall said we have gone over the rate design and that has been approved for the 2.5 cent increase.

- Mayor Rosenberg said the next item that is going to come before Council would be the approval of the power cost adjustment (PCA), implementing that.

- Brock Jacobsen said it would need a public hearing so we would set that public hearing for Jan. 26. He said the intent tonight was to get the Council’s feelings on moving forward with bringing the PCA back for a public hearing. He said if Council is comfortable with that, we will put this on next week’s agenda to set a public hearing. If there is some concern and more discussion that needs to happen, we can move on that path too.

- Jarett Waite asked how this would actually affect customers’ bills. When prices go up and we are billed from UAMPS the customer will get charged a little bit more in January through March and then less April through August.

- Gary Hall said that is correct. It is a rolling six-month average so it will take a while for that to catch up so the summer months when the prices are high the customer won’t see that on their bill until September through November.

- Jarett Waite said that 2.5 cents is a really big jump.

- Mike Johnson explained how the costs went up so much during the summer. The summer costs are going to start hitting and they were substantially higher in 2021.

They may come down a little bit depending on what is happening now. The winter months will start bringing it down.

- Jarett Waite said he is concerned to have big jumps in someone's power bill because of a crazy summer and if someone is on a fixed income and they don't expect that big of a bill it could be hard. He suggested that we just average it out a little bit better, so it is just a little bit every month.

- Mike Johnson said it will only be a little bit every month.

- Gary Hall said that doing a six-month rolling average is what evens out that line. If we were doing it month to month during July and August, the customers' bills would just skyrocket. Doing it with that six-month average it flattens that curve so there isn't a big jump.

- Jarett Waite said his struggle is we are already known as having high power in Santa Clara and we are adding almost 25% to the cost with this PCA so that is a pretty big increase.

- Brock Jacobsen said that one of the reasons we looked at this PCA is over the years as we have adjusted the rates and we have tried to get to a point to where we have enough reserves and renewal and replacement going forward so if we don't have these and we need a piece of equipment we have to go and bond which brings up the costs. This is an avenue that there is an increased cost to the residents based on that average but there are some months up and some months down but hopefully in the long run there is a benefit, and we reduce our need to go into the market of bonding and increased bond costs. He said that we believe with the purchase of two new generators this will flatten out and will hopefully keep this need lower because we won't be buying as much power.

- Denny Drake said this is not just happening to Santa Clara. This is across the board with UAMPS membership and even to those who are not members are going to see huge increases in power. As they close the power grids with the fossil fuels and the hydroelectric shutting down that will mean major increases to any municipality or anyone who has their own power system throughout the Nation. This is something we need to try and minimize as much as we can but need to understand that unless we could get that power plant online in Idaho quicker, we are at the mercy of those producing the power and the rates that they charge.

- Mayor Rosenberg asked if there is any fear that we need to double up all our reserves this summer with that spike.

- Brock Jacobsen said he wouldn't say fear. With the two new generators and we are taking 5 megawatts not from the market that that is mitigating some of that fear and exposure. We have mitigated some of the risk.

- Denny Drake asked why we are looking at this spike in a regular market.

- Mike Johnson said it is a combination of the capacity and availability of the market. Also, the price of energy is going up. You can see that at the gas pump. He said he doesn't know the UAMPS market well enough to know what is driving it. He said prices have risen substantially throughout the country because of the fuel issue.

- Mayor Rosenberg said the PCA is just another tool the city can use to protect the reserves.

- Mike Johnson said the PCA is there to catch these spikes and overall to provide stability for the utility and stability for the customers.

- Ben Shakespeare said we are responsible in buying and assuring that we get the best

possible price, and it feels, from a consumer-side, like our electricity is banking on someone controlling what we pay and what our cost is on that. He said the Power Department does a really good job on that and so does UAMPS. We have just spent \$5 million on generation and have just done a 2.5 cent increase that is going to happen for the next 3 years. He said the people this hurts most of those who can't afford it such as those on fixed incomes. He said he knows why we need this and why it is there, but it makes him cringe. He said the rates aren't matching what the numbers are and there is some confusion.

- Jarett Waite asked Mike Johnson to explain the sample residential rate where it shows the month PCA as being \$28.53. Is that really how much we are adding on to everyone's bills? He asked if the chart could be updated to reflect the 2021 numbers before it comes back to Council.

- Denny Drake said that the rates are averaged over a six-month period so there are times when that rate increases. You can't look at that chart and take one month and say we are seeing a huge increase because it is going to be averaged over a six-month period with part of it less than that rate and part of it more than that rate.

- Leina Mathis said that the January 2021 PCA forecast on pg. 16 is significantly higher than what is in that table. She said she thinks our residents are going to see significant increases in their bills. She said she understands the need to offset our costs, but she is not thrilled about doing it this way.

- Gary Hall said we have just over 3,000 customers.

- Ben Shakespeare said we were over \$600,000 short this year.

- Gary Hall said it was closer to \$700,000 by the end of the year.

- Ben Shakespeare said that with this we would still be about \$650,000 short.

- Brock Jacobsen said that bringing it back with 2021 numbers will show another picture.

- Gary Hall said he can have USF update this with the 2021 numbers. It is going to be high because that is the market.

- Mayor Rosenberg said we want to be able to present the real numbers to the residents. He suggested bringing this back next week for discussion. He asked Gary to simplify the presentation and then we will set the public hearing, if Council is comfortable with it, after that.

- Gary Hall said the hardest thing with living in Southern Utah is our load swing in the summer. We go from 8 or 9 megawatts in the winter to 20 megawatts in the summer so to try and purchase power and not belong in the winter for 4 or 5 months and then have enough for the summer is hard to deal with. These generators are the biggest thing to help with that.

- Ben Shakespeare said we are doing everything we can, and we just need to continue to do it. Let's do all we can to try and avoid that spike.

- Denny Drake said that \$28.53 is closer to what the monthly increase will be and all we want to do is be able to present to the public what we think the increase is going to be. It is what it is and there is nothing we can do. It is important that the number is accurate of what we need to disclose.

- Brock Jacobsen said we need to get the numbers done by next week so we can have a discussion with the real numbers and if Council is comfortable, we will have it on the agenda to set the public hearing for Jan. 26. He told Gary to have Mike and Mark work on updating those numbers to the 2021 numbers.

#### **4. Budget Calendar discussion.**

- Brock Jacobsen said this item concerns the Budget Retreat. He said we are looking at some time in February. The calendar is set on the dates of bringing back for public hearings and adoption of a tentative budget and the final budget. He asked Council when they would like to have the Budget Retreat.
- Mayor Rosenberg explained that typically the Council, Mayor and Staff meet starting at 11 a.m. and go as long as it takes.
- Ben Shakespeare suggested Feb. 16, the Wednesday that a Regular Council Meeting is not scheduled.
- Brock Jacobsen said that date would work. We will start at 11 a.m. or 11:30 a.m. and there will be lunch and discussions. We will go as long as needed but typically not after 5 p.m.
- Mayor Rosenberg said over the next month this is also Council's time to think about your wish list as well. We will meet with the Staff and try and mesh those two wish lists together into a budget.
- Brock Jacobsen said if Council wants something on there to email so we can address it with Staff.

#### **5. Discussion of Concept Plan for the Silverado Project.**

- Mayor Rosenberg said this discussion is in preparation for the zone change application.
- Jim McNulty, City Planner, said this discussion is about the Silverado Project. The applicants Joe Smith and David Hunter requested a Work Meeting discussion with the Council. He said that the applicant submitted some newer drawings late this afternoon. He said this project is directly east of the Harmon's Center and just north of Pioneer Parkway. There are four different levels of development. The Concept Plan includes four different development areas. The red area proposes typical commercial uses (convenience store, strip retail, restaurant with drive-thru) which would have frontage on Pioneer Parkway. The yellow area includes a 96-unit apartment project which would have four buildings, 3 stories high with 8 units in each building. The blue area includes a proposal for 28-man caves/residential units (1-bedroom or studio) which would be approximately 2,400 sq ft. They would be accessed with a public street. They would have a bedroom, a kitchen and a bathroom. This is a popular product. The green area is to include a pickle ball sports complex. This would include 23 indoor courts, 10 outdoor courts, a sports bar type restaurant including games and entertainment. This would be a destination location for pickle ball and tournaments. This would be quite unique to our area. A rezoning will be required to allow for a Mixed-Use Development as proposed by the applicants. The property is currently zoned Planned Development Residential (PDR) and would need to be rezoned to Planned Development Commercial (PDC). If the property is rezoned to PDC, a conditional use is required for the proposed mixed-use development which is generally done at site plan review. The property will need to be subdivided into four separate lots. The yellow area includes a 96-unit apartment project. City Ordinance, Section 17.68.050C, states the following: "An apartment project is limited to thirty (30) dwelling units per project unless the proposed project is a senior housing project with

half or more of the units designated for single occupancy, or is an affordable housing project meeting the criteria of federal tax credits, or similar state or local affordable housing criteria and is approved for such credits prior to beginning construction.” He said there are some guidelines and other materials we can discuss on this. He said we are suggesting in talking to City Legal Counsel and Staff that a development agreement be done for this project if they proceed because it is complex and pretty large scale, so they put a development agreement in place that addresses each of the four components of the project. He said we can talk about potentially affordable housing for the site and what may necessarily be required to get the project or allow it to proceed.

- Dave Hunter, Owner of Silverado Development, said they have done projects all over the western United States. He said they have partner shipped with Method and are master planning something that is going to be really unique, and they are very excited about it. He said it checks a lot of the boxes for the city as far as tax revenue goes and as far as meeting housing needs and bringing some activity into the Harmon’s retail center. He said the C-store would be on the west side of the street on the corner and a couple of sit-down and drive-thru restaurants and already have preliminary commitments from a couple of restaurants to come in. He said one of the things that is going to be unique to the State of Utah is the pickle ball center. He said they hope this is going to be a national and multi-state draw to bring in tournaments and have activities. He said their hurdle right now is the City ordinance that says the per project there is only 30 apartment units allowed. He said in the landscape of Santa Clara they are really strongly hoping and pushing for this 96-units because they think the demand and need is massive in this area. They have redone this whole site plan thinking that if they can get those 96 units in, they can do the rest of this project. He said that if Council goes through the slides, they will see it looks world-class. They have gone through several architects and partnered with Method. He said they have the whole plan 3-D rendered in flyover. It gives a bird’s eye view of what this project looks like.

- Joe Smith, Founder of Methods Studio, showed pictures of the sports complex and the rest of the site. Some of the amenities they added were a splash pad, a water fountain and a small stage. He said they put great thought in how they could make this feel appropriate to the area but also fresh and inviting to the families of the community there. He said the architecture has continuity in terms of their aesthetic, but they do have their individual identities as well and something they feel will really highlight the whole project as a whole. He talked about the benefits of indoor pickle ball courts so this could continue to serve everyone year-round. He said with the popularity of pickle ball in this region the 23 courts would be a real tremendous draw for everyone. He said that adding the food component to that and the stage and the outdoor courts as well it will be an incredible destination place for families. He said they hope the community comes and uses these facilities because they are built for the community. He stated that the proposed square footage of the pickle ball facility is about 53,500 sq ft.

- Leina Mathis asked if there has been concern with the road on the back side adjacent to the wash coming in at the turn on Pioneer.

- Jim McNulty said he would recommend curb and gutter for a barrier.

- Ben Shakespeare said they are showing an access off of Pioneer Parkway.

- Joe Smith said that is the double-sided parking for the pickle ball and is not actually a roadway.

- Mayor Rosenberg said it accesses off of Red Mountain, but it does have an access off of Pioneer Parkway just west of the existing culvert on the outside of the curve. They will have to look at that. Pioneer Parkway isn't full width yet so there is room to develop additional turning lanes and probably a deceleration lane coming across there. It may require some improvements to the existing crossing as part of that. They will probably have to have their traffic engineer look at this as they go forward in the process and what is going to have to happen to make that T-intersection there viable to facilitate access and make safe access and egress.
- Joe Smith said right now the semantics of the project have not been worked through. Right now, this is the site layout. When we get into the actual civil standpoint that will all get discovered.
- Mayor Rosenberg said he thinks it is going to have decent site distance it is just going to be the lane configuration and the decelerations. There is room to make it work there.
- Ben Shakespeare said it would be nice to improve that bend there anyway.
- Mayor Rosenberg said they would have to improve their entire frontage along Pioneer Parkway and also the extension of Red Mountain as part of the project so the opportunity to get those roadways improved would be great. Pioneer allows for a center turn lane and could allow for a right-hand turn lane as well if the warrants are there. It may be there on the outside of that bend. He said we can look at this as we get into the next steps in the process.
- Dave Hunter said they are really proud of the concept that they have put together. It is unique and we haven't seen a ton of this type of architecture. He said that even the gas station is unique.
- Jarett Waite said one request as we are looking at this is to keep in mind that there are residents on the other side of the street of that area and to try and limit lighting as much as possible. He said he realizes that they have to have signage but he would like them to work on that so there isn't a lot of lighting in those backyards.
- Joe Smith said that is something they will work on to make sure it is something the neighbors aren't going to be upset about. The building heights on the frontage are not super tall buildings and from the street side you won't be able to see the apartments because they are sitting down in that swell.
- Mayor Rosenberg asked the apartment buildings are 3-story with maximum height of 35 ft.
- Dave Hunter said that was correct.
- Ben Shakespeare asked if the apartment residents would be able pickle ball facilities.
- Dave Hunter said that is something they want to have happen. For them that will be a marketing sell.
- Jim McNulty asked if that would be an added cost. Would they have to pay to be members to use the facility?
- Dave Hunter said right now they are thinking not.
- Mayor Rosenberg talked about the 30-unit limitation and asked if they were going to go with any type of senior or affordable concept or are they asking the Council to change the ordinance.
- Joe Smith said they want to change the ordinance to a development agreement.
- Matt Ence, City Attorney, said he already had this discussion with their attorney and already discussed that ordinance can't be changed with the development agreement. It

would require an act of the City Council to modify it.

- Dave Hunter said they would want to change it so they could do this. He said they have talked about separating these buildings and separate tax ID them and they would be individual projects. He said they really just want to go through the front door on this and put together a very reasonable argument that this is appropriate for the site, and it is actually a benefit to the city. He said there will be no nightly rentals and they would like to have year contracts on these. There is a massive shortage of housing in this area and having market-rate housing is becoming more and more scarce. He said this is an appropriate location.

- Jim McNulty said the site design and the way they thought things out is great and unique for the project, but we can't say that because the project has been designed great therefore, we are okay to waive a requirement. It is in our ordinance right now and is required. There are two options here. There is a code amendment that could be considered by the Planning Commission and City Council that would change the code for the apartment use in the PD zone. He doesn't know if it could be drilled down to a PDC because this is a mixed use rather than a PDR. The other option is in looking at the code requirements or Federal and State requirements for low-income housing tax credit it talks about percentages. There are three sets of criteria and the first one could be something considered: "at least 20% of the project's units are occupied by tenants with an income of 50% or less of area median income adjusted for family size (AMI). If they were to do that and get Utah Housing tax credits that would be 19 units. They are proposing 96 apartment units and they would be required to do a minimum of 19 of the units at 50% of AMI working with the State Housing and getting the tax credits for a minimum of 15 years that they have to be willing to abide by those requirements.

- Denny Drake asked how many acres we are talking about for these apartments.

- Dave Hunter said it is approximately 5 acres.

- Denny Drake said they are talking about an increase from 12 to 20 units per acre and our project requirement is one single project can only have 30 units.

- Leina Mathis said that is right. She said that falls under our PDR density requirement so where this is going to be a PDC is it not applicable because that is specifically in our PDR zone.

- Matt Ence said he thinks it is in the General PD requirements. It is not specific between PDR or PDC.

- Leina Mathis said the heading for the section says "PDR zone density bonus criteria" 17.68.50.

- Matt Ence said carrying that thought through what Leina is suggesting by doing the apartment complex in a PDC zone they would be released from those restrictions.

- Leina Mathis if it is in a PDC mixed use where it is conditionally permitted does it exclude this in this particular instance.

- Jim McNulty said he reviewed it and didn't read it that way. The PD zone is for PDR, PDC, PDO and PDI and these requirements are for all of those zoning districts.

- Matt Ence said we need to take a look at it. He said he agrees with Jim that the way he read it, it would still apply.

- Jim McNulty said the other question that Councilman Drake brought up is in the PDR or PDC zone the maximum density is 8 units per acre and then we can apply a density bonus of 4 additional units per acre so the maximum is 12 units per acre for a multi-family project and we haven't exceeded that anywhere so they would have to use more

acreage to get the 96 units if it is only 5 acres.

- Dave Hunter said the conglomeration of the density came from the whole project and not just where the apartments actually sat. That is where they came up with that density.

- Denny Drake said he thought these projects were separate entities and that is not a combination of entities unless they are creating an association to do that with. He asked if it is platted differently.

- Mayor Rosenberg said the platting of it is different than the ownership requirement. The man caves would be single ownership so there is not going to be platting there. The apartments would be established in a subdivision as separate, but the zoning is overlaying the whole entire project under the PD zone. The PD zone is going to establish that density that can happen and the subdivision is just a mechanical way that you are going to get to achieve those specific uses in there because you have different uses.

- Denny Drake said the densities don't change according to our zone. The maximum density even with getting the density bonus designation is still 12 units per acre. There isn't any exception for 30 even if we go to a higher density.

- Mayor Rosenberg said it stays under 12 if you look at it as a whole.

- Matt Ence said the purpose of the development agreement would be so that all of those disparate uses could be addressed together in the development agreement. As far as what the density looks like and how it is calculated he hasn't seen enough information to comment on that but that would be the way to address that is in the development agreement.

- Jim McNulty said the man caves were going to be sold to buyers. The apartments would be single ownership owned by Dave Hunter's group. He said there are four different parts to this project. The commercial market is hot right now and pickle ball is hot right now and housing is hot right now no matter what type of housing. He asked if they are trying to build the apartment project first. Are they going to do multiple phases?

- Dave Hunter said the only thing that is going to go as fast as the market will absorb is the man caves. Their plan is to start with about 12 and everything else will be built concurrently.

- Jim McNulty said he thinks that would be covered with our development agreement.

- Ben Shakespeare said there are ways in the code to get around. He said he loves the layout for the location, for the proximity to the grocery and all of that. He said he is not a huge fan of limiting the units to 30. Housing is changing dramatically and there is a giant need for this, and this actually works. We need to look under the PDC because that is ultimately what it is going to be.

- Dave Hunter said they don't go into cities and try to stick square pegs into holes and doing things that don't make sense for the city or the location. It seems like this project and where it sits in the city and what it can do for the city and the need it can fill, they wouldn't be fighting so hard. They think it is an appropriate project for that area. He said he is speaking personally, and he thinks the apartments are a very needed thing in Santa Clara City.

- Denny Drake asked if they were in a residential area would they appreciate the density sitting next to them. He said in his mind what we are doing is changing the complexion of Santa Clara and taking it from a residential community into a dense or

more transient community by creating nothing but townhomes and apartments. He said that is where Dave Hunter and he differ in what is appropriate for the area.

- Dave Hunter said for 30 years Santa Clara has enjoyed a community with single-family houses but now that next generation is coming along and unless these types of projects happen kids will not be able to live next to families.

- Jim McNulty said he thinks that is understood. The city has gone to great lengths to change the housing and what is allowed in the city the last several years. We have lots that are less than 10,000 sq ft and we are looking at lots that are smaller than that. We have a lot of townhomes, and we have another apartment community we are working with which will be affordable housing, but we do have a variety of housing types and styles for different points of life. We do need to create some affordable housing. His question is, "Would it really be tough to take 19 units and rent them at 50% of median rather than going on market rate?" and if not, we can proceed with a code amendment. He said we also allow for accessory dwelling units and IADU's as per State code. We are on par and trying to do the right thing.

- Ben Shakespeare said from a Council's standpoint we have talked about the application going to the State and there is a limited amount of funds so if the applicant decided to go that route and the Council did approve the applicant has the right to go and apply and if they don't get approved where do we stand on that.

- Mayor Rosenberg said the ordinance says that you have to have the affordable component in accordance with the standards, but it doesn't necessarily have to be a tax credit approved project it just has to meet the housing standards that they use for the project.

- Matt Ence said it does say it has to be approved for the credits prior to construction unless they have some kind of a tax credit that they can approve that is the way the ordinance is currently written.

- Jim McNulty said when we made this ordinance we provided for a little flexibility because we talked about the Federal tax credit, State or local affordable housing credits or criteria and is approved for credit prior to construction.

- Mayor Rosenberg said that is the key "or criteria".

- Matt Ence said it goes on to say: "and is approved for such credits". It could be a local program. We would have to create a local program and offer some kind of a tax credit under the current ordinance.

- Denny Drake said even then it only changes the density to 12 units per acre.

- Leina Mathis said that is a PDR limitation. If you read the ordinance, up a little further, when it is a PDC component it is 12 units per acre. It doesn't require the density. She said she thinks the PDR provision isn't applicable. She said it isn't applicable because it is a PDC with mixed use.

- Jim McNulty said if we are looking at the overall and doing it that way, we also will have to consider the 28-man caves because they are going to have units as well.

- Denny Drake said one of the biggest issues we have facing us right now is water and if we continue to increase the densities, we are going to increase the water usage and the water usage is something that is very critical right now.

- Mayor Rosenberg said your usage is not going to be that much higher. The water consumption for this project if you developed it as single-family residential is probably not that much different.

- Dave Hunter said in the development agreement they are going to use best in class

water resource management in landscaping and everything else.

- Mayor Rosenberg said there is secondary available up there and there are some options on the water side. There is not that much outside turf on this project.

- Dave Hunter said they would work closely with their landscape architect and the city and want to do this as xeriscape as they possibly can. They know how important the water issue is with the City.

- Mayor Rosenberg said it sounds like the City Council and Staff need to talk about the 30-unit requirements apply or not. That may be the next step. We will get a finding put together and get that to Dave and take the conversation forward from there.

- Dave Hunter said if the site plan they are presenting is appealing to the Council they would like to know because they will do what they need to get this done if there is interest and if Council thinks this could be an asset to Santa Clara.

- Ben Shakespeare said he likes it a lot.

- Leina Mathis said she likes it a lot.

- Christa Hinton said she likes it.

- Denny Drake said he likes the concept plan but the detail he is not sure.

- Jarett Waite said he likes it overall. He said that Ben Shakespeare had brought up that there may be another exception for energy consumption and savings and different materials and that is something we can look at as another caveat to allow them to go above 30 units if it is really energy efficient.

- Dave Hunter said they want to use those methods and techniques to make it as energy efficient as possible.

- Mayor Rosenberg said the city will go to work on looking at the language in the ordinance and come up with a finding and get that to Dave as quick as we can.

- Dave Hunter thanked the Mayor and the City Council.

## **6. Council and City Manager Assignments.**

- Mayor Rosenberg said we need to go through the list and make some assignments. There are some meetings coming up. He said the mayor assignments are pretty well fixed. He said we have sometimes rotated the City Department liaisons around. He talked about Ben Shakespeare's assignments. He told Ben that he would appreciate him staying on the Flood Control Authority and he is the Vice Chair right now. He asked him about staying on the Healthy Dixie Council. They have a meeting tomorrow night and a luncheon tomorrow.

- Ben Shakespeare said he would stay on the Flood Control Authority Board, and he thinks he can make the meeting and luncheon tomorrow for Healthy Dixie. He said he will continue with the Princess Pageant also.

- Mayor Rosenberg said that Jarett Waite has been the Mayor Pro Tem. The Mayor Pro Tem is something Council has to enact and there probably needs to be an agenda item for it.

- Jarett Waite said he has enjoyed it.

- Mayor Rosenberg said Jarett will probably stick around so next time when we have it on the agenda somebody will make a motion unless somebody else wants it then to make a motion that way. Jarett is also with the Public Services department, so he works closely with Dustin Mouritsen and Gary Hall. He also is on the CEC Board and is the Chair. We will also keep Jarett on the social media for the city. He is also on the

Mosquito Abatement Board and the Economic Development Committee. He asked Christa Hinton if that is something she might be interested in.

- Christa Hinton said she would be interested in Economic Development.
- Mayor Rosenberg said we will move Economic Development to Christa. He said Denny Drake is the City Parks liaison. He is on the Snow Canyon Joint Management Board. He is also on the Swiss Days Committee.
- Denny Drake said he will keep Swiss Days and the Snow Canyon Joint Management. He also has the Solid Waste Board by resolution.
- Mayor Rosenberg said that Leina Mathis is the City Admin liaison and is with the City Heritage Commission.
- Leina Mathis said that she and Wendell Gubler swapped last year so she actually has the Planning Commission and Wendell had the City Admin. She will still be with the Heritage Commission and be the County Fair representative and the Sand Hollow Aquatics Center Board and the Christmas Program and LPC with Brock.
- Mayor Rosenberg said the City Admin liaison would fall to Christa. He said that Brock has the LPC, and the City Managers' Association and he is on the EC. He won't change those assignments. That leaves the Washington County Air Quality Board and the Historical Society Museum liaison. He asked Christa if she is okay with those assignments. He said that he and Leina have been attending the Housing Affordability Board meetings. He doesn't mind sitting in on that one and any Council member can. He said he would love to have a Council member assigned to the Chapel Street Garden.
- Jarett Waite said he is interested in it.
- Mayor Rosenberg said that Jarett Waite is the new City Garden Board member. He is also the city fiber expert. He said that Gary Hall is the UAMPS representative, and Dustin Mouritsen is serving on the MPO TAC and the Water District TAC. He said he will have Brock make all the changes and we will bring it back for formal approval next Wednesday at the City Council Meeting.

### **3. Staff Reports:**

#### Chris Shelley

- She said she left a note for the Mayor and City Council concerning the online training. Everyone needs to do the training yearly and after it is done you can print out a certificate.
- Mayor Rosenberg said that some of the committees the Council is on will do the training as part of their session. The training can be done at League of Cities and Towns as well.

#### Brock Jacobsen

- Local Officials Day is Jan. 19 at the Legislature. He said he will arrange travel for anyone who wants to go. The meeting starts at 11 a.m. and there will be a luncheon.
- On Tuesday the Utopia Fiber people are coming to do "hut" locations at Circle Drive Fire Station and at Gubler Park where they will have their hubs.
- Jarett Waite said they will approve the bonding on Jan. 10 for the fiber. They countersigned our agreement, and they are going to have a special meeting for the bond to approve the parameters resolution.
- Brock Jacobsen said we will start with the parameters resolution and then it will go out to bid. Zion's Bank is our representative and they will review it and make sure everything is

good on our side.

- The Economic Summit “What’s Up Down South” is next Thursday, Jan. 13. (Ben, Christa, Mayor, Denny and Jarett will attend.)

Mayor Rosenberg

- He was approached by a young man, Will Nadauld, who wants to get Youth City Council started again. He will try and get him back on an agenda, but he will need to find five or six youth who are willing to commit to it, then we would probably put it back in.

- Leina Mathis said she has all the information, but we couldn’t get the school to support it.

- Brock Jacobsen said we can get with the High School and find out who the U.S. History teacher is and get some support from the teacher and their class.

**4. Adjournment:**

Meeting Adjourned at 7:22 p.m.

\_\_\_\_\_  
Chris Shelley – City Recorder

Date Approved: \_\_\_\_\_