

SOUTH JORDAN CITY
CITY COUNCIL SPECIAL STUDY MEETING
OAK CONFERENCE ROOM – 2ND FL.

February 29, 2016

Present: Mayor David Alvord, Council Member Brad Marlor, Council Member Don Shelton, Council Member Tamara Zander, Council Member Chris Rogers, CM Gary Whatcott, COS Paul Cunningham, City Attorney Ryan Loose, IS Director Jon Day, Administrative Services Director Dustin Lewis, Development Services Director Brad Klavano, CFO Sunil Naidu, City Commerce Director Brian Preece, Strategic Services Director Don Tingey, Public Works Director Jason Rasmussen, Police Chief Jeff Carr, Fire Chief Andy Butler, City Recorder Anna West

Absent: Council Member Patrick Harris

Others: Rulon Dutson, Julie Holbrook, Colby Hill, Matt Robinson, Brent Robinson

**SPECIAL STUDY MEETING – 6:30 AM
OAK CONFERENCE ROOM – 2ND FL.**

Mayor Alvord welcomed everyone present and started the meeting at 6:40 a.m. He noted that Council Members Zander and Harris are not currently present. He asked to have Item B. postponed to later and to begin with Item D.

A. Invocation: By Council Member Tamara Zander

City Manager Gary Whatcott offered the invocation.

Mayor Alvord said it might be better to do Item D. first because our two new Council Members are not present and they will need to hear the legal training. He asked Jason Rasmussen if he is okay with proceeding with recycling.

D. Presentation: Recycling (*By Public Works Director, Jason Rasmussen*)

Public Works Director Jason Rasmussen handed out his presentation on Recycling (Attachment A). He said I am here to let you know what is going on in the recycling industry and to let you know how it is going to affect us in the near future.

Mr. Rasmussen said annually we collect about 4,400 tons of recycle material that then goes to a recycle facility where it is processed for reuse. He noted the quickest turnaround of any recycle material is the aluminum cans. We charge \$3.80 per month for a recycle can and we pay \$2.93 per month per can to be picked up. That small margin in between is the hauling cost to get it there and to replace broken recycle cans. There are two recycle facilities that we use. One is operated by Waste Management and the other is Rocky Mountain Recycling.

Mr. Rasmussen said there have been some major changes in the last year in the recycling industry. The demand for recycle materials has decreased and a large part of that has to do with China. They are not

taking as much material and demand has decreased significantly. There is just a lot more supply than demand right now for recycle materials. The other big factor is oil prices. That has affected the cost of plastics. With the price of oil so low it is actually cheaper to manufacture new plastics than it is to use recycle products. The Waste Management CEO has called recycling a nationwide crisis. The problem is there are recycle plants closing because the economics of running the plants is just not there anymore.

Mr. Rasmussen said the impact to South Jordan City, historically the hauler of recycle materials was paid \$15 per ton for that. Up until a year and a half ago under our old contract the hauler was collecting that \$15. When we got our new contract with Ace Disposal we set up a cost share where the City would get 80% of that \$15 and the hauler, Ace, would get 20%. The tables have turned with the decrease in demand. Rocky Mountain Recycle was charging us \$15 per ton to drop off this recycle material, so that changes things quite a bit. Our contract with Ace didn't anticipate that we would be paying to drop off these recyclables so we are in the process of working with Ace to rework the contract. We want to see where the cost and demand for this could change. We could have a couple of years where it would stay the same, where we have to pay to drop off these recyclables. That may mean down the road 12-18 months that we will have to look at the cost we charge for recyclables.

Mr. Rasmussen said one question I wanted to leave you with, I won't necessarily ask you for an answer, at some point it may be cheaper to drop off our recyclables at the land fill versus taking them to the recycle plant. I know some of our residents think that recycling is important, but at some point how important is it to continue down that path.

Council Member Marlor asked how much of our current recycle material that we were dropping off is actually being recycled. If we get to the point where all of the recycle, with the exception of aluminum, is being carted out to the landfill anyway what do we do?

Director Rasmussen said as far as I know it is still being recycled, there is just a delay. He said my recommendation is to wait 12-18 months and see how things go. We may need to come back to you and have the fee raised 20-30 cents.

Council Member Zander arrived at 6:45 a.m.

C. Training: City Attorney, Ryan Loose

City Attorney Ryan Loose began his Training Review with a presentation on Open and Public Meetings Law & Electronic Communication (Attachment B). He said when it comes to Open Public Meetings we are required by law to do training on it. He said this is really where what you do daily versus what you do every week or two at your public meetings. Every week or two you meet as the City Council; we agenda the meetings and publish the meeting notices. If we reasonably expect three or more of you to attend an event we will make sure it is publicly noticed. We work very hard to make sure all "potential quorum" meetings are noticed according to law. The purpose is that since you are elected public officials people can see what you do and hear the way you talk about what you think about different items and issues. If you will be attending a meeting that you think three or more of you may attend, please let us know so we can notice it. If you happen to attend an event that has not been noticed and there are three or more of you in attendance by happenstance just make sure none of you talk about City business.

City Attorney Loose said where open meetings gets more complicated is when you are talking to each other electronically. You are not allowed to communicate with each other electronically while in an open meeting. He quoted from statute 52-4-210 that says “it restricts you from transmitting electronic messages to other members of the public body at a time when the public body is convened in open meeting.” Please do not text or email or otherwise communicate with each other electronically while in an open meeting. When you are in an open meeting your communication should be transparent to everyone.

City Attorney Loose said we have an electronic meeting provision in our ordinance so if one of you are out of town and want to participate the meeting electronically then we will notice the meeting as an electronic meeting and everything will be set up in the Council Chambers to make sure you can participate electronically. No communication by text, the conversation will be set up so everyone can hear the conversation taking place. It is the intent of the legislature that you conduct deliberations openly in a public meeting. Remember that your emails can be requested via GRAMA Requests.

E. Discussion Item: Development Proposed at 10378 S. Jordan Gateway (*By Developer, Matt Robinson*)

Matt Robinson (Developer), a packet of information was distributed for review (Attachment C). This project is located on Jordan Gateway; it is the piece of property behind Café Wave. On the South you have the new apartments, on the east you have the retail with Café Wave, and on the west you have the river on federal land, and on the north you have Ultradent. The current zoning is Commercial Freeway and the main intent of Commercial Freeway is retail. This property has sat dormant for a long time because it is not a very good retail spot because there is no exposure and the topography is pretty challenging. The property is 2 ½ acres; the first shelf sits level with the road and then there is about a 25 foot drop and then another shelf. Our family has a couple of businesses and we are in desperate need of some new office space. Last summer we started looking for some land and we found this piece and even though it is challenging we love it. We put it under contract and started working with the city. At first we were going to go the rezone route because we were thinking about condos and office space. Brian Preece let us know about the Performance Development, stating that if we made a superior project and we enhanced the code that we could skip the rezone. We shelved our rezone in the summer and spent a few months getting ready for the performance development. We hired the engineer and the architect and now are about \$50,000 into this. We went to submit and missed the performance development cut off by about four days. We know that got changed and it is kind of a sensitive environment, but here we are 8 months later and looking for some advice from you. What we propose is to build an office building that would be about 30,000 sq. ft. We designed the office building to go above and beyond the code so we were thinking about doing underground parking, class A space and enhance the landscaping and do everything we could to make a beautiful building. We are constrained by the office building that we can do because we are a small business and we need to get an SBA Loan that have some requirements. They require that you occupy 60% of the building and they cap the amount you can borrow at 5 million dollars; so we can't go above 30,000 sq. ft. To justify the price of the land we have been trying to find a way to use the other half of the land that goes down 25 feet and shelves off. Retail doesn't work and building another office doesn't work so that is why we were proposing building about 60 condos down there; that would be done in a second phase. I know density is a very sensitive subject right now and I totally understand that so we want to see if we can partner and create a great development. Some of the complaints about density are the effect to the school system, traffic, and adjacent neighbors. We feel this would be a perfect fit. They could be one or two

bedrooms, possibly senior housing to limit the effect on the school system. The traffic would be minimal. It would just be getting onto Jordan Gateway and then 2 minutes onto the freeway and there is the Frontrunner Station so it won't have a big effect on traffic. The adjacent neighbors would not be affected. We are willing to do a development agreement. We want to build the office building first and the condos could be phase 2 down the road. I really don't have a set agenda I just wanted to throw out some ideas and get your thoughts.

Brent Robinson said as Matt mentioned before, we want to be good community citizens. We have roots in both the West Jordan and South Jordan areas and are open for suggestions to see what the best use for this property is.

Mayor Alvord asked about what their market analysis shows with regards to the need for condos. I have heard in the past that there weren't a lot of vacancies in apartments, condos and town homes for rent. I am curious if that remained the same now.

Matt Robinson said there are still very low vacancies. We are a custom home builder and the price of land is out of control everywhere. The only thing you can build now for less than \$300,000 these days is a town home or condo. Housing is becoming more and more unaffordable due to the price of land and the increase of construction. There is a huge demand for people that want to live in nice areas but can't afford the 4, 5 or 600,000 dollars into a home. The most important to us right now is the office building. We don't have the resources to build all at once so that is why we were thinking we could delay it for a few years if that would be something beneficial to you.

Council Member Rogers asked if they had any other tenants for the office building other than themselves. Brent Robinson said we would occupy 60% of the building. The primary tenant would be our insurance company along with Hand Crafted Homes and Ty Robinson Foundation. As the prison goes down and Lehi keeps booming we feel that condominiums would be extremely viable along that corridor.

Matt Robinson said we were looking for office space in the southern end of the valley and there is very little out there. Our businesses are all spread out and want to have a centralized space where we can bring all of our businesses together. We have the land under contract right now.

Mayor Alvord said it might be good for you to meet with Patrick Harris who is the Council Member over the area where this space is located. I would be curious where he would be with this proposal.

Council Member Marlor asked what the density would be. Mr. Robinson said when you do a TOD project there is not really a density limitation; the main limitation is parking. To meet the parking requirements it would technically justify a 30,000 sq. ft. office building and about 60 units. If we need to go down from there a bit we are open to suggestions.

Council Member Zander asked how many square feet would each condo be and how many parking spaces would be needed. Mr. Robinson said about 850 square feet and the parking requirement would be 1.5 for a 1 bedroom, 2 for a two bedroom and 2.5 for a 3 bedroom. We averaged the parking to be 1.8 and we have underground parking. Because we were trying to do a performance development we really tried to make this a nice project. Even though there will only be 60 units, we proposed doing a

theatre room, a gym, a pool and an access to the roof where there would be a pavilion and BBQ area where people could enjoy the view.

Council Member Marlor said from a financing standpoint you can do an SBA loan on the office building. Mr. Robinson said because you can't do condos in an SBA so we were going to sub-divide the land so that we could build the office building with the SBA loan immediately and sit on the condo project for a while.

Council Member Zander asked about the overlay zoning and would that have to be applied here.

City Attorney Loose said the overlay zone doesn't exist yet. They could apply for the TOD zoning. This would fit in the TOD Land Use area. One thing to note, because we have run into this in the past, when you condominiumize them there is nothing to stop an owner or owners from buying groups of those condominiums and leasing them out.

Council Member Rogers said I am not a fan of the residential component of this mostly because of the density. It mostly has to do with the residential that is currently there and is going to be there. This would be some of the most dense we have in the city. I think you could do another office building there instead of the residential. If it not feasible in terms of financing we should take a look at this again. I believe office is in real demand in that area.

Council Member Zander said I think it is a great use of the land but I am sensitive to the density so I have not formed an opinion on this yet.

Council Member Marlor asked if they would consider making the condos a little larger. Mt. Robinson said we would be happy to do that.

Council Member Shelton said I am conscious of the fact that they should be within walking distance of the Front Runner and to that end I don't feel terrible about the residential piece there.

Mr. Robinson said since this would be our headquarters the last thing we would do is build something cheap. We have a huge incentive to build something really nice because we are going to be there for a long time. We are willing to lower the density and make the units larger and open to any other suggestions you may have.

Mayor Alvord said it is key that you contact Council Member Harris to get his take on this and we would be inclined to support his preference.

B. Council Packet Review (*Calendaring, Topics, Future Agenda Items*)

Mayor Alvord said tomorrow night's agenda is small.

CM Whatcott said there are two consent items on the agenda.

Council Member Rogers asked for an explanation on why the amendment to the Critical Incident Task Force Agreement. Chief Carr said it is to allow the Attorney General to participate in the process in

Salt Lake County so if one of their officers was involved in a critical incident they could use the protocols as well; It also amends it so we don't have to do this every time someone joins.

Council Member Marlor asked about public comment on Item H. He said I would prefer having all public comment when we do Item E. for Public Comment rather than having it twice. My suggestion would be that because we have already had public comment on this issue and I think we should limit it to those who have not had a chance to comment yet.

Mayor Alvord said on Item E. Public Comment people can talk about anything that is not currently on the agenda. I was hoping we could have different colored comment cards specifically for this issue. City Recorder West said yellow comment cards have been prepared specifically for those wanting to speak regarding the bond.

Council Member Zander said we could have all public comment done at the beginning of the meeting so that once we get to the discussion with Laura Lewis on the bond then we wouldn't have to revisit everything again.

Mayor Alvord said to have the discussion before public comment can sometimes be dangerous. Something could be said that would spark a response from the public.

Mayor Alvord said I would like to keep the Agenda as is. This is something that Mr. Whatcott and I have ordered and I think it is fine as is. He said if you think of this logistically, if Daybreak is going to have some concessions about the town homes it might change everything.

CM Whatcott said I though Kennecott was coming to talk about the bond; are you thinking they are coming to talk about the town homes?

Rulon Dutson said we were anticipating, based on the agenda, this discussion was on the bond. Our commitment to the town homes is what it has been for the last month; that project is on until we go through the public process that we have committed to do. Those town homes, whether they are on or they are off, has yet to be decided going through that public process.

Council Member Zander said our comments tomorrow shouldn't have anything to do with the DCC.

Mr. Dutson said we would appreciate that.

Mayor Alvord said this to me is about a relationship with all due respect Rulon. You are asking our tax payers to bond for you but then you are letting the perception persist that you don't keep your promises. It is hard for me to divorce those. It is right here in our city and frankly it is the same issue. We have congestion, we have parking issues, and we have people that have a different expectation for the community. If you recall at our last meeting we talked about three items we would like to have a response back from Kennecott Land before we vote on the bond and this is your opportunity to respond to those.

Mr. Dutson said we are more than happy to respond but it makes it a bit challenging to do that when the target is constantly shifting. I don't know what else to say. We feel like we are trying to respond to questions and as I mentioned at the last City Council we have engaged a consultant to work with the

residents so we are totally independent of that process. We are looking for some acknowledgment whether it's satisfactory or not, but there are efforts being made.

Mayor Alvord said then perhaps a pause is the right move for this Council because you are telling me there are some things in progress but we don't know what the result is.

Mayor Alvord said Council I like the agenda as it stands and I appreciate everyone's input. I think an hour and a half is reasonable for public comment.

City Attorney Loose said there are actually three different resolutions and that was on purpose so we couldn't accidentally pass two different resolutions that contradict each other. On the motion, whoever makes it, I would encourage you to read the motion so we know which of the three resolutions it is.

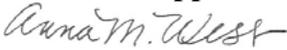
After lengthy discussion by all it was decided that the public would be allowed to speak and they would limit speakers to 3 minutes and that the timer would be used during this.

Council Member Rogers motioned to adjourn the meeting. All were in favor. Council Member Patrick Harris absent.

ADJOURNMENT

The February 29, 2016 City Council Special Study Meeting adjourned at 8:15 a.m.

This is a true and correct copy of the February 29, 2016 Council Study Meeting minutes, which were approved on March 15, 2016.


South Jordan City Recorder