



COALVILLE CITY COUNCIL MEETING NOTICE AND AGENDA

Notice is hereby given that the Coalville City Council will hold its regular meeting on **Monday, June 25, 2018** at the Coalville City Hall, 10 North Main, Coalville, Utah. This meeting will begin at **6:00 P.M.** The agenda will be as follows:

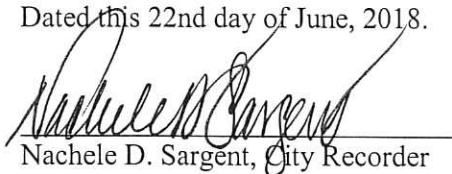
1. Roll Call
2. Pledge Of Allegiance
3. City Council Agenda Items:
 - A. Presentation – Local Option Sales Taxes for Transportation – Authorized by Senate Bill 136 – Summit County
 - B. Discussion And Possible Action Concerning The Enforcement Issues At 151 South – 179 South Main – Candelario Ponce
 - C. Consideration Of The 1% Transient Room Tax
 - D. Consideration And Possible Approval For The City To Cover The Engineering Costs For The North Summit Recreation Park Plan
 - E. Discussion And Possible Approval Of New Planning Commission And Board Of Adjustment Members
 - F. Public Works Updates
 - G. Community Development Updates
 - a. Business Licenses
 - H. Legal Updates
 - I. Council Updates
 - J. Mayor Updates
 - K. Executive Session
4. Ratification Of Accounts Payable
5. Review And Possible Approval of Minutes
6. Adjournment

** Coalville City reserves the right to Change the order of the meeting agenda as needed.*

Dated this 22nd day of June, 2018.

Mayor
Trever Johnson

Council
Adrienne Anson
Cody Blonquist
Arlin Judd
Rodney Robbins
Tyler Rowser


Nachele D. Sargent, City Recorder

****In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Hall (435-336-5981) at least three days prior the meeting.**

Posted: June 22, 2018 City Hall, Utah Public Notice Website
Posted: June 25, 2018 City Website

P.O. Box 188
10 North Main Street
Coalville, UT 84017

P: 435.336.5981
F: 435.336.2062
cityhall@coalvillecity.org
www.coalvillecity.org

Coalville City Council
Regular Meeting
HELD ON
June 25, 2018
IN THE
CITY HALL

Mayor Trever Johnson called the meeting to order at 6:02 P.M.

MAYOR AND COUNCILMEMBERS PRESENT: Mayor Trever Johnson
Councilmembers: Cody Blonquist,
Tyler Rowser, Arlin Judd,
Adrianne Anson, Rodney Robbins

CITY STAFF PRESENT:

Sheldon Smith, City Attorney
Zane DeWeese, Public Works Director
Nachele Sargent, City Recorder

PUBLIC IN ATTENDANCE:

Anita Lewis, Chandra Young, Jim Robinson,
Debbie Robinson, David Bell, Donald
Fulton and Son

Item 1 – Roll Call:

A quorum was present.

Item 2 – Pledge of Allegiance:

Mayor Trever Johnson led the Council, Staff, and Public in the Pledge of Allegiance.

**Item A – Presentation – Local Option Sales Tax For Transportation – Authorized By
Senate Bill 136 – Summit County:**

Anita Lewis, Summit County Rural Affairs, stated they had held a COG meeting a couple of weeks ago and Mayor Johnson had invited them to come to the Council meeting and explain the Local Option Sales Tax For Transportation (Exhibit A). She stated the State Legislature had proposed to the Counties the opportunity for them to adopt two taxes to help with transportation and transit. She stated with the growth coming to the State and to the County, there were more transportation needs. Ms. Lewis explained they weren't looking for a decision tonight, but they would like feedback for the County Council. She stated the County Council would be making a decision on Wednesday at their regular meeting. She stated Chandra Young, SC Chief Deputy Manager, was here to answer any questions the Mayor and Council may have and then showed a brief video. Chandra

Young stated the State Legislature had given the Counties the opportunity to impose these taxes without voter approval. The terminology for the increase was 4th and 5th quarter taxes with a 4th quarter 0.25 increase that could be used for regional transportation projects and a 5th quarter .20 increase that could be used for transit debt and service delivery. She stated currently the combined Local and State tax for Summit County was 6.55% and if both taxes were imposed it would raise to 7%. Ms. Young stated the tax would apply to sales items only and not to grocery, gas, or food items. It would be a \$1 - \$3 dollar increase per resident per month for the year depending on their individual spending habits. Currently the Summit County sales tax rate was the 9th highest in the State. Ms. Young stated another part of the State Legislature proposal would allow for the County to keep 100% of the tax up to July 2019. After July 2019, it would become redistributed State wide. In order to meet the timeline to take advantage of keeping 100% of the tax, they would need to adopt the tax rate by June 20, 2018. Ms. Young stated they had a lot of project needs and had a list from the 2015-2016 sales tax increase and had already started on some of those projects from the 9 million dollars collected from that tax. She stated the new tax monies would possibly go toward a solution to the Kimball Junction exit, extending the electric bus service, dedicated bus lanes for rapid transit from Kimball Junction to Park City, extending the bus service from Kamas to Park City for weekends, widening Chalk Creek Road, and a road connection from Silver Creek to Bitner Flats. She stated a percentage of the monies would also go to the individual Cities with Coalville receiving approximately \$22,368. Ms. Young stated the County Council really wanted input from the Mayor and Council before Wednesday. Mayor Trevor Johnson stated he felt like the County had tried to reach out and inform the Cities within the small timeframe they had and thanked them for their efforts. He stated the State had tried two other times to get this tax adopted and it hadn't passed with the vote and he thought by offering this to the Counties they were outsourcing their struggles. He stated the timeline was too short to make this type of decision. The Mayor and Council continued discussing the tax options including what would happen with the second year monies went when it went to a Statewide distribution, the revenue was slated for projects just in the Park City area, revisiting the project list to add for the smaller City projects, examples of what would be taxed, the State pushing it to the Counties because they couldn't get it passed, what other Counties were in favor of adopting the tax, only getting 100% of the revenue for nine months, and the possibility of adopting the tax and then rescinding. Anita Lewis reminded the Council that 50% of the tax would be paid by tourism. Council Member Cody Blonquist stated he didn't think a buck or two per individual would make a difference, but a business owner going into a place like Home Depot and spending one million dollars a year and paying the full 4.5% sales tax, could become a disadvantage to both businesses when it reached a certain dollar amount. The consensus from the Mayor and Council would be to vote against the tax. Mayor Trevor Johnson thanked them for coming and discussing the issue with the Council.

Item B – Discussion And Possible Action Concerning The Enforcement Issues at 151 South – 170 South Main – Candelario Ponce:

Mayor Trevor Johnson stated he had spoken with the owners of Neena's Market and had invited them to come and discuss the issues they were having with the Council. They were not in attendance.

Item C – Consideration Of The 1% Transient Room Tax:

Mayor Trevor Johnson stated this had been discussed at the last City Council meeting and with a couple of members unable to attend he had requested for this to be added to the agenda tonight for full Council participation. Council Member Tyler Rowser stated the City had the option of charging a 1% transient tax which would be for hotels, camp grounds, and Airbnb's. He stated it would apply to anyplace a person would stay less than 30 consecutive days. Council Member Rowser stated from his research the City would end up with around \$1,000 per month. He stated he thought this was a good idea for the City as the tax would be paid by people coming to stay here and not by City residents. He stated the funds could be used for anything the City wanted as part of the General Fund. The Mayor and Council discussed the options of imposing the tax including the amount coming in from visitors and not residents, whether it would negatively affect local businesses collecting the tax, what people look at when searching for a room rate, and whether the additional paperwork would affect the business owners. The Council decided to move it to a public hearing at the next meeting.

A motion was made by Council Member Arlin Judd to hold a public hearing for the consideration of adopting a 1% Transient Room Tax. Council Member Tyler Rowser seconded the motion. All Ayes. Motion Carried.

Item D – Consideration And Possible Approval For The City To Cover The Engineering Costs For The North Summit Recreation Park Plan:

Mayor Trevor Johnson stated the City had discussed helping the North Summit Recreation District with the engineering costs for the Park Plan. He stated JUB Engineers, Inc. had met with the NS Rec. Dist. and stated it would be \$32,500 to engineer the park plan. Shane McFarland stated there may be a couple of items that could be shaved from the fee like surveying, eliminating some meetings, and community education, etc. He stated the biggest amount of time would be figuring out the grading for the fields. He stated the plan had been presented to the Planning Commission and one of the biggest issues of concern was making sure the drainage and run-off from the area was taken care of. Mayor Trevor Johnson stated the City had budgeted \$15,000 for engineering the project. He suggested allocating what was budgeted with the balance being paid for by the NS Rec. Dist.

A motion was made by Council Member Arlin Judd to approve the City expenditure of \$15,000 as budgeted toward the engineering of the North Summit Recreation District Park Plan. Council Member Cody Blonquist seconded the motion. The Ayes won the vote. Motion Carried.

Roll Call:

**Council Member Judd – Aye
Council Member Anson – Aye
Council Member Robbins - Nay
Council Member Rowser – Abstain
Council Member Blonquist - Aye**

Item E – Discussion And Possible Approval Of New Planning Commission Member and Board Of Adjustment Members:

Mayor Trevor Johnson stated the City had received two applications for the vacant seats. He stated one was from Shoat Roath and he had applied before and the other was from Donald Fulton. Donald Fulton was present at the meeting and Mayor Johnson questioned if he was a full-time resident and where he was registered for vote. Mr. Fulton stated he wasn't registered to vote anywhere at this time and was living in the City limits full-time. He stated he was interested becoming a small business owner in the area and may be working on a project with a local Developer and was interested in being on the Planning Commission or the Board Of Adjustment. He stated he would recuse himself if anything he was involved in came up for discussion at the meetings. The Mayor and Council discussed the applicants. Mayor Johnson recommended appointing Shoat Roath to the Planning Commission and extending the time for applicants to apply for the BOA for another two weeks.

A motion was made by Council Member Arlin Judd to appoint Shoat Roath to the Planning Commission based on Mayor Johnson's recommendation. Council Member Rodney Robbins seconded the motion. All Ayes. Motion Carried.

A motion was made by Council Member Adrienne Anson to appoint Donald Fulton to the BOA.

The motion wasn't seconded.

A motion was made by Council Member Arlin Judd to extend the applicant consideration period for another two weeks and advertise again for applicants. Council Member Tyler Rowser seconded the motion. All Ayes. Motion Carried.

Item F – Public Works Updates:

Zane DeWeese stated he didn't have any updates tonight and Shane McFarland would update the Council on the projects.

Council Member Arlin Judd questioned how the water was doing. Zane DeWeese stated right now they were holding their own with the culinary. He stated they would probably start to supplement with the Wells soon. He stated he wasn't surprised by what he was seeing with the secondary water with the mild Winter season last year. He stated Chalk Creek was low and they had been having a hard time keeping up. Mayor Trever Johnson stated after the please conserve letter went out the use doubled.

Council Member Tyler Rowser stated the streets and the City looked really good for the Celebration. Council Member Adrienne Anson stated the flowers did too.

Item E – Community Development Updates:

Shane McFarland stated the Water Distribution project had been awarded to Brinkerhoff Excavation and it was approved by the USDA. He stated they would be holding a preconstruction meeting when they got their bonds in place and hoped they would be ready to begin by the first of July. He stated the project should be completed by July 2019. He stated he felt if there was a Winter season like last year, they would be finishing sooner. He stated they would start on Main Street and get it completed so the City could start some maintenance there. He stated they were aware of the parade for the Summit County Fair. Shane stated there would be a full-time inspector on site for the project and they would have compaction tests every 200 feet.

Shane McFarland stated the Water Tank design was complete. He stated he would like to wait until a little later in the year to bid the project.

Shane McFarland stated the Water Treatment Plant membrane project was awarded to WesTech to begin design. He stated the original request for proposal was for skid with 200 gallons per minute which was a skid of 12 membranes with a potential increase for growth to 18 membranes. He stated the Wohali Partners LLC project could possibly make a difference. Mayor Trever Johnson stated he didn't think they should plan around that possibility. Shane stated Wohali Partners LLC had called and wanted to do a preliminary discussion and he would know more next week.

Shane McFarland stated he was still working to get the Force Main and Lift Station project going. He stated he was working with the Boyden's and the BOR to get the new alignment for the Force Main in place. Shane stated Counterpoint Construction was still under contract and was waiting for the City to make a decision on the project. He stated

the new casing and alignment was a better alternative for the City. Shane explained the options of the project to the Mayor and Council including the possibility of a \$600,000 change order, a larger casing diameter, where it would tie into the plant, planning for potential growth which would increase the force main from a 6" to a 10", and waiting for flow information from the Wohali Partners LLC. Shane stated if the City wanted to move ahead as it was, Counterpoint would be ready to go. He stated if they waited for potential growth, the new growth would participate in the funding. Shane stated Wohali Partners LLC had requested a meeting with the Mayor, one Council, and Staff which included Sheldon. Council Member Cody Blonquist stated he was concerned because if there was a catastrophic failure for the Lift Station; there would be several serious issues that would come from that happening. He stated this project was supposed to have been completed two years ago. Mayor Trevor Johnson stated there were a lot of question marks with the potential growth. He stated it was the right thing to consider, but at this point it was already funded and it may be wise to go ahead as planned. Council Member Rodney Robbins questioned what the cost difference was between a 6" and a 10" line. Shane McFarland stated it would be around \$100,000. Council Member Cody Blonquist questioned if the City upsized, could a pioneering agreement be in effect for anyone that needed to connect to pay their share. Shane stated that would be called an impact fee and the City already collected one to pay for the treatment plant. Council Member Cody Blonquist questioned if there could be a different rate for different parts of the City. Sheldon Smith stated an impact fee had to be uniform across the City. Shane McFarland stated one issue with starting the project now would be the need to go through the Boyden property for the new alignment. He stated they were very willing to have that happen as they could see it would be a future benefit for them. Mayor Trevor Johnson stated he would like Shane to get the new alignment agreement taken care of with the BOR and move forward as originally planned. Shane apologized for the frustration and delay on this project and stated he understood it was unacceptable. Council Member Cody Blonquist stated they appreciated that, but right now they needed to decide the best course of action. He stated the disadvantage of moving forward was if potential growth happened, then the Force Main and Lift Station would have to be reconstructed. Shane agreed and stated it would all have to be 100% replaced. Council Member Tyler Rowser questioned if they were willing to front the money now for the improvements whether or not they could develop. Shane stated that was what they were saying. Sheldon Smith stated he doubted they would front the money without some type of agreement for development in place. Shane stated if the potential development came in for approval, they would be told they would have to replace the existing Lift Station as part of their development. He stated they were going to propose that they would replace the Lift Station and the City would get the Force Main in to the plant and then they would be ready to go when needed. He stated they would also have to address what needed to be done for the water. Council Member Adrienne Anson stated she hated paying for something twice. Mayor Trevor Johnson stated he didn't want to be beholden to a developer and questioned if they could build their own line and Lift Station and tie-in to

the system. Shane said that was a possibility. Council Member Arlin Judd suggested starting the project with the Lift Station instead of the Force Main. Shane stated there would be a difference in the Lift Station if potential growth was considered. He stated he would move ahead with getting the alignment agreements in place.

Shane McFarland stated he needed to get the Council's input about the fencing put in at the Car Wash and the Summit County Fairgrounds. He stated they had both been told to do solid masonry, but they had put in a fence that was aluminum posts with a concrete cover and a fiberglass panel. He stated the City hadn't been consistent with this part of the ordinance which he felt made it difficult for the other businesses. He stated the fences looked good and the intent was captured, but they were not masonry fences which do protect more against noise. The Mayor and Council discussed the fence options including a masonry fence was required for safety as a car wouldn't penetrate it, a masonry fence would hold up longer, recognizing the commercial district and not penalizing or restricting business owners by having to put in a masonry fence, the commercial district not being strictly a commercial zone as residential was allowed at the highest density level, and upholding the Code. Sheldon Smith questioned why the Car Wash would go ahead with the fence without getting it cleared through the City. Shane McFarland stated he was told the County went ahead and put in this type of fence and the fencing company stopped to see if the Car Wash was interested because they had just put one in for the County and the Car Wash thought if the County had done it, then they could too. Council Member Cody Blonquist stated they showed a masonry fence on their plans. Shane stated neither the County nor the Car Wash had received permission to go ahead with a lesser fence. He stated he wanted direction on how the Council wanted to address the issue. Council Member Adrienne Anson stated she didn't think this type of fence was as nice as a masonry fence. Shane McFarland questioned where the City should draw the line as there were other businesses like Subway and the Robertson building that didn't have a masonry wall. Sheldon Smith stated the difference was he didn't know what Subway and the Robertson's had been told with their project, but he knew the Car Wash and the Summit County Fairgrounds had been told they had to have a masonry wall. Mayor Trevor Johnson stated a letter needed to be sent to them to put them on notice about the fence. Sheldon Smith questioned if he sent them a letter and they came in to the Council, would any of them back up the letter and tell them to tear down the fence. He stated with his experience with other Council's they wouldn't do it. Council Member Arlin Judd stated he wouldn't do it because he felt it looked better. Council Member Cody Blonquist stated the Code required a masonry wall. Council Member Arlin Judd stated maybe the Code should have been updated a long time ago. Shane stated if they were going to send the Car Wash a letter they needed to do it soon as they planned on having a grand opening on Saturday. He stated he and Zane had inspected the project today for the final review and had discussed the possibility of allowing a temporary CO for 30 days at this point. He stated they still needed to finish the curb on the 100 South side and had received their permit from the UDOT for it and they

also had some landscaping to finish. The Mayor and Council asked Sheldon to send a letter to the Car Wash and the County to have them identify how the fence met the Code of the required masonry fence. Sheldon Smith stated he would send the letter, but questioned why they were sending it if the Council wasn't willing to enforce the Code. He questioned if they would make them tear down the fence and put in a new one. Council Member Arlin Judd stated he wouldn't require either party to replace the fence and wouldn't enforce the Code. He stated he thought the Code should be changed to offer other alternatives. No one else stated whether they would or not. Sheldon Smith stated he understood that and felt they wouldn't require them to replace the fence, but he would send out the letters.

Item H – Legal Updates – Sheldon Smith:

Sheldon Smith stated the Enterprise Zone had been approved by the State up through 2022 (Exhibit B). Council Member Adrienne Anson questioned what it would mean to new businesses and questioned how the City could let the businesses know. Sheldon stated there were tax incentives they could qualify for, but there were special provisions they would have to meet. He stated an existing business most likely wouldn't qualify. He stated it would be good to let any new business coming into town know about the opportunity.

Council Member Arlin Judd questioned if the City needed to address the issue of the complaint about the Planning meeting being noticed improperly and questioned if there was the potential for legal action. He stated the complaint implied this had happened before. Sheldon Smith stated Niki Sargent had sent proper notice. Council Member Cody Blonquist stated he had received his notices for something like this way before the item reached the agenda and he felt the system was fine. Niki Sargent stated the meeting had been canceled and rescheduled and she had sent out the next notice with a tracking number and verified they had received the notice.

Item G – Council Updates:

Council Member Arlin Judd stated he felt the Celebration was successful and a good event.

Council Member Arlin Judd questioned if Chalk Creek Estates was allowed to build the homes without the street being finished as there were some already under construction. Shane McFarland stated per Code they had to have 8" minimum of road base, water available, and a hydrant in place before a building permit would be issued and they had met those obligations. Niki Sargent stated they also had a cash escrow in place for all of the improvements. Shane stated a CO wouldn't be issued until the asphalt was in place.

Council Member Arlin Judd questioned if Sheldon Smith had received any comments back from the enforcement letters he had sent out. Sheldon Smith stated one of the tenants of the yellow building had moved a lot of the equipment out and cleaned up his portion of the area, but the other tenant refused and stated he had a right to be there. Mayor Trevor Johnson stated he had invited the owner's, Neena's Market, to be here to discuss their concerns. He stated they felt like they were being forced to take care of the issues when it was the tenants that were in violation. Sheldon Smith stated as the owner of the property they were ultimately responsible for what happened there and making sure the property was in compliance. He stated the people leasing also had a responsibility, but the property owner was the responsible party. He stated any storage there would have to have proper screening from Main Street and neighboring property owners which would be difficult to do. Mayor Trevor Johnson stated he would go and talk to Neena's Market again before Sheldon took it to the next enforcement level.

Council Member Cody Blonquist stated there were other problem areas in the City with people just stock piling junk on their property. He questioned what the procedure would be to get it taken care of. Sheldon Smith stated they would address the ones the City received complaints about. He stated at a recent seminar he attended they stated the most difficult issues in Zoning was in small communities that had grown enough that they wanted to start enforcing their ordinances. He stated there were so many people that had done whatever they wanted for so many years it was difficult to get them to comply with the enforcement. He stated the City would have to start with a few and continue on to get the areas cleaned up and taken care of.

Council Member Adrienne Anson stated as a Tree City the City was eligible to apply for a grant of up to \$8,000 every year for infrastructure or planting. She stated she felt the City didn't have a lot of public space to utilize this opportunity. She stated in the future we may, but right now we didn't. She stated this money was available through a match grant where the City portion would be through volunteer hours or infrastructure. Council Member Anson stated she was proposing to apply for the money to be distributed to citizens for their projects. She stated this would be accomplished by completing four steps which included an application process to include an educational pamphlet informing them about the growing Zone where we were located in, watering, sun exposure, and soil types. They would submit a project survey as to what and why they were interested in applying. If approved, they would then be issued a certificate coupon from Coalville City that could be used for a discount when purchasing their trees. Council Member Anson stated she had arranged for Valley Nursery in Ogden to offer a 20% discount in addition to the coupon. She stated an individual home owner, a business, or a developer could apply for the funds. She stated a developer could put in a drip system or a tree box as part of the matching funds and they would receive 100% of the tree cost. A homeowner would only receive a 50% coupon and with the Valley Nursery 20% discount they would only pay 30% for the tree. She stated she felt it was wise for them to pay for

it as a free tree didn't mean as much. Mayor Trevor Johnson questioned if it was legal to use the funds like that. Council Member Adrienne Anson stated she had run it by the Forester and he said to go for it. She stated at the end of the fund cycle an audit would be completed to show tree vitality and what percentage of businesses versus homeowners applied for the funds. She stated she thought this was a program to be able to use the funds and people would be taking care of the trees and not the City. Mayor Trevor Johnson stated it sounded like a great concept and felt it needed to be verified that it would be legal. He suggested for Council Member Anson to put together the plan and get it approved and signed. Council Member Anson stated she would email the application to the Council for review. She stated if this was approved through Tree City she would encourage the City to vocalize and offer the opportunity to neighbors and developers.

Council Member Tyler Rowser stated he had spoken with the State and if the City would submit the legal descriptions to them they could estimate what the City would owe for the Wildland Fire program. Niki Sargent stated she would send it in to them.

Council Member Tyler Rowser stated he didn't like how the road was put in with the Robertson project. He stated they had torn out the sidewalk and put in asphalt and the asphalt blocked the gutter. He stated he had discussed it with Shane McFarland. Shane McFarland stated he had looked at it today and the challenge was they had treated it like a road and not a driveway and intersections do not have sidewalks through them. He stated they may need to cut out some of the asphalt to allow water to flow. He stated he would continue to review it.

Item H – Mayor's Updates:

Mayor Trevor Johnson stated he had heard a lot of good feedback about the event. He stated he had heard some comments that they thought the date should be changed. He stated he agreed because there was a lot of competition on Father's Day weekend. He stated they liked having it in June, but suggested to move ahead or back a week.

Item K – Executive Session:

There wasn't an executive session tonight.

Item #4 – Ratification Of Accounts Payable:

The Council reviewed the checks that had been issued in addition to the approved accounts payable for June 2018. Niki Sargent stated they needed to get the Celebration event charges paid for in this fiscal year if possible.

A motion was made by Council Member Tyler Rowser to ratify the additional Accounts Payable for June 2018 with an additional \$3,800 for advertising. Council Member Arlin Judd seconded the motion. All Ayes. Motion Carried.

Item #5 – Review, Discussion, and Possible Approval of Minutes:

The Council reviewed the minutes of the June 11, 2018.

A motion was made by Council Member Arlin Judd to approve the minutes of June 11, 2018 as corrected. Council Member Cody Blonquist seconded the motion. All Ayes. Motion Carried.

Item #6 – Adjournment:

A motion was made by Council Member Tyler Rowser to adjourn the meeting. Council Member Cody Blonquist seconded the motion. All ayes. Motion Carried.

The meeting adjourned at 9:09 P.M.

Mayor Trever Johnson

Attest:

Nachele D. Sargent, City Recorder



"Exhibit A"
City Council June 25, 2018

STAFF REPORT

To: Summit County Council
From: Matt Leavitt, Finance Director
Caroline Rodriguez, Director of Transportation Planning
Derrick Radke, Director of Public Works
Janna Young, Deputy County Manager
Date of Meeting: May 30, 2018
Type of Item: Second Discussion: Local Option Sales Taxes for
Transportation as Modified and Authorized by S.B. 136
Process: Work Session

On March 22, 2018, the Governor signed into law S.B. 136, Transportation Governance Amendments, making modifications to local option sales taxes for transportation and authorizing a new sales tax for transit. Staff first discussed these tax options with the County Council at the May 9, 2018 Council meeting. Council members requested additional information from staff to be presented and discussed at the May 30th Council meeting.

Requested Council Action

1. Respond to additional information and staff-provided scenarios/actions
2. Provide direction to staff

Background

During the 2017 general legislative session, the State Legislature adopted legislation establishing a Transportation Governance and Funding Task Force to look at overhauling the state's transportation system by addressing key issues in both transit and transportation governance (UTA and UDOT), funding, land-use, planning and transit development projects.

The Task Force, made up of legislators, local elected officials, policy experts and other stakeholders, met often during the 2017 interim session, studying various governance models and funding options to address the transportation and transit needs of the state, which is expected to see a doubling in population over the next 50 years.

At the end of the interim session and the beginning of the 2018 general session, the Task Force made several recommendations to the standing Transportation Committees, resulting in proposed legislation introduced by Senator Harper and Representative Schultz (co-chairs of the Task Force) on February 1, 2018: S.B. 136, Transportation Governance Amendments.

S.B. 136, Transportation Governance Amendments

On the governance side, this bill reforms the way UTA is governed, as well as changes the name of the organization. It also creates a new Deputy Director position in UDOT.

On the funding side, the bill authorizes new value-capture programs and increases the registration fees for hybrid and electric vehicles to pay for electric vehicle infrastructure. It also requires UDOT to establish a road usage demonstration project to study alternative ways to the gas tax to fund road maintenance and other transportation infrastructure.

Additionally, the bill also makes several modifications to the 3rd and 4th Quarter local option sales taxes for transportation and authorizes a new, "5th Quarter" 0.20% local option tax for transit.

Details of the Local Option Sales Taxes Modifications

Currently, counties have the option of imposing the following local option sales taxes for transit or transportation:

- 1st Quarter: Mass Transit Tax
- 2nd Quarter: Additional Mass Transit Tax
- 3rd Quarter: County Option Transportation Tax
- 4th Quarter: Transportation Infrastructure Tax

Prior to S.B. 136, voter referendum was the only method for imposing these taxes. As an incentive to encourage counties to impose all four quarters of these taxes, S.B. 136 allows a county legislative body to impose the 3rd and 4th Quarter taxes without voter approval (referendum is still a requirement for the 1st and 2nd Quarters).

4th Quarter Scenario 1:

If the County imposes the 4th Quarter tax before July 1, 2018, the County gets to keep 100% of all revenues generated after enactment until June 30, 2019. Starting July 1, 2019, the taxes are distributed in the following way: 0.10% to cities, including unincorporated areas of the County (after the usual statewide distribution of 50% by population and 50% by point of sale), 0.10% to the transit district, and 0.05% to counties. Monies generated/collected from this tax must be used to either pay off debt or for regionally significant transportation facilities.

4th Quarter Scenario 2:

If the County chooses not to impose the 4th Quarter tax by June 30, 2020, then cities located within 1st, 2nd, and 3rd class counties (this includes Park City) that have or are intending to have transit service have the option to impose the full

quarter with 0.125% going to the city and 0.125% to the transit district¹ for transit operations (nothing directly to the County).

4th Quarter Scenario 3:

If a city imposes the 4th Quarter and a county subsequently imposes the 4th Quarter, the city-imposed distribution of 0.125%/0.125% applies in the imposing city, while the regular distribution of 0.10%/0.10%/0.05% applies to the remainder of the county.

5th Quarter

Beginning July 1, 2019, counties have the option of imposing a **new** "5th Quarter" tax of 0.20% for transit capital expenses and service delivery. This tax is 100% point of sale and goes exclusively to the county. It also does **not** require voter approval.

If a county chooses not to impose the 5th Quarter tax, it expires (i.e. "use it or lose it") by June 30, 2023.

To date, Summit County has imposed the 2nd and 3rd Quarter taxes.

Note: Under S.B. 136, 25% of the 3rd Quarter is no longer required to be spent on corridor preservation, but corridor preservation is still an eligible expense.

Estimated Revenue Generated by the 4th and 5th Quarter Taxes

As stated earlier in this report, if the County imposes the 4th Quarter tax by June 30, 2018, the County keeps 100% of the revenues generated until June 30, 2019. This is approximately **\$3.6 million** (based on council enactment of resolution imposing the tax July 1, 2018 and receiving revenues October 2018 – June 2019).

Starting July 1, 2019, the distribution of the 4th Quarter monies would be:

Location	A1	A2	A3	Total
Summit County		0.10%	0.15%	0.25%
Coalville		0.10%	0.15%	0.25%
Francis		0.10%	0.15%	0.25%
Henefer		0.10%	0.15%	0.25%
Kamas		0.10%	0.15%	0.25%
Oakley		0.10%	0.15%	0.25%
Park City	0.10%	0.10%	0.05%	0.25%
Snyderville Basin Transit Dist	0.10%	0.10%	0.05%	0.25%

¹ While Park City does not technically have or operate a transit district, they qualify as an "Eligible Political Subdivision" under 59-12-2219(1)(c) of the Utah State code. It does not matter how the transit system is accounted for – whether it is an enterprise fund or formal district – Park City would receive the first 0.10% as any other transit district.

- A1** - Distributed to transit district or eligible political subdivision.
A2 - Distributed to county, city, or town based on 50/50 split.
A3 - Distributed to county.

To assist county governments in their analysis of the enabled taxing mechanisms, the Wasatch Front Regional Council has developed the following revenue estimates for the 4th Quarter tax. Please note, as you will see in the list of assumptions on the next page, these figures are dependent on **every county in the state imposing the 4th Quarter tax**. These calculations are very preliminary and could actually be extremely different than what is estimated, especially if the larger counties do not implement the tax.

4TH QUARTER REVENUE ESTIMATES (Wasatch Front Regional Council)

	(0.10%) * All Cities & Unincorporated County Areas	(0.05%) Counties	(0.10%) Transit District	(0.10%) County Transportation	Total
Summit County		\$595,098			\$595,098
Unincorporated Area	\$265,972				\$265,972
Coalville	\$22,368				\$22,368
Francis	\$13,489				\$13,489
Henefer	\$8,918				\$8,918
Kamas	\$35,643				\$35,643
Oakley	\$18,170				\$18,170
Park City	\$825,635		\$1,627,497		\$2,453,132
Snyderville Basin TD				\$190,516	\$190,516
Grand Total					\$3,603,306

* To cities or unincorporated county areas based on 50% population and 50% point of sale (POS).

Note: While Park City does not technically have or operate a transit district, they qualify as an "Eligible Political Subdivision" under 59-12-2219(1)(c) of the Utah State code. It does not matter how the transit system is accounted for – whether it is an enterprise fund or formal district – Park City would receive the first 0.10% as any other transit district.

5TH QUARTER ESTIMATES (Staff)

Calendar Year		Inflation	Estimated '19	Transit Tax
2016:	County-wide	Factor	Sales	(0.20%)
Non-food Taxable Sales	\$1,728,519,726	0.017	\$1,757,904,561	\$3,515,000
NOTE: This tax is 100% point of sale and 100% is remitted back to the County; not subject to any distribution formula.				

Assumptions:

- 1) Sales tax estimates are based on Utah Tax Commission CY2016 taxable sales, excluding food.
- 2) CY2016 sales are inflated to CY2019 using an average CPI from 2008-2017 of 1.70%.
City level sales were estimated using the percentage of sales by city from CY2014.
(CY2016 sales data do not report all cities)
- 3) The analysis assumes all counties in the State implement the "4th Quarter" local option sales tax for transportation.**
- 4) The 4th Quarter option expires if not used by June 30, 2022 only for the counties fully in the UTA district (i.e. Weber, Davis, Salt Lake, Utah) and to the city imposition option.

Projects that Can Be Funded with these Taxes

Purely for illustrative purposes, staff has assembled the following program of projects that demonstrate the types of projects that could be funded, implemented, or implemented more quickly with the additional revenue generated by the additional taxing options.

Council has previously seen these figures at the May 9, 2018 Council meeting, however, the table depicting "Short Range Transit Expenditures" has been updated to reflect the cost of potential services at both 20-30 minute and 15 minute headways.

4th Quarter Sales Tax – Short-Range Expenditures

Type	Project	Year 1	Year 2	Year 3	Year 4	Year 5
Transit	Extend Electric Express (10 White Bus) to Ecker Park and Ride (assumes year-round, mainting headways and days/hours of service and inflation)	\$800,000	\$816,000	\$832,320	\$848,966	\$865,946
Transit	SR-224 Bus Rapid Transit (BRT)	\$250,000	\$1,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Road	Silver Creek to Bitner Connection	\$1,500,000	\$0	\$0	\$0	\$0
Road	Chalk Creek Widening	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
	TOTALS	\$3,050,000	\$2,316,000	\$3,332,320	\$3,348,966	3,365,946

SR-224 Bus Rapid Transit (BRT) estimated costs: Capital \$10M per mile/Operating \$100 per revenue hour

5th Quarter Sales Tax – Short-Range Transit Expenditures – Year 1 Operations

Description	Service Area	Year 1 Ops. Cost (20-30 min. frequency)	Year 1 Ops. Cost (15 min. frequency)
Upgraded Black: Kamas Service	Add weekend service to current Kamas Commuter route	\$150,000	\$150,000
Redesigned Pink: Jeremy Ranch	Serving Jeremy Ranch with Silver Spur/Saddle Back loop; Jeremy Ranch PnR; Jeremy Ranch deviation zone ; Kilby Rd.; Ecker PnR; KJTC	\$475,000	\$938,800
New: Summit Park/Timberline	Summit Park/Aspen Dr. loop; Timberline at Kilby Rd.; Pinebrook loop; Ecker PnR; KJTC	\$975,000	\$1,920,000
New: Pinebrook to Canyons Village	KJTC; Bear Cub Dr. to Bobsled Blvd.; Silver Springs loop; Silver Springs deviation zone ; Canyons Transit Hub	\$600,000	\$1,180,000
New: Canyons Village Circulator	Canyons Village Circulator and deviation zone .	\$420,000	\$420,000
Brown Route	Maintain <u>current alignment</u> until Silver Creek Village is constructed	\$0	\$0
New: Brown Demand Response	On-demand service from Lower Silver Creek; Silver Summit to either KJTC or PC Hospital	\$100,000	\$100,000
Totals		\$2,720,000	\$4,708,800

Status of Transportation Local Option Sales Taxes in Other Utah Counties

As of May 24, 2018, 12 Utah counties have implemented the 4th Quarter option. Box Elder, Salt Lake, Tooele, and Washington counties are each considering the option, with decision points in place (see comments in chart below).

County	4 th Quarter	5 th Quarter	Comments
Beaver			
Box Elder	Not yet		Visiting with cities, but no resolution required. Action is not imminent (earliest would be Dec/Jan)
Cache	Yes		
Carbon	Yes		
Daggett			
Davis	Yes		
Duchesne	Yes		
Emery	Yes		
Garfield			
Grand	Yes		
Iron			
Juab			
Kane			
Millard	Yes		

County	4 th Quarter	5 th Quarter	Comments
Morgan			
Piute			
Rich	Yes		
Salt Lake	Not yet		Passed ordinance saying will impose 4 th Q if cities representing 67% of county's population pass resolutions in support of the tax
San Juan	Yes		
Sanpete	Yes		
Sevier	Yes		
Summit			
Tooele	Yes		
Uintah			
Utah			
Wasatch			
Washington	Not yet		Following SLCo process; want city resolutions in support in order to impose 4 th Quarter.
Wayne			
Weber	Yes		

Current Sales Tax Rates in Utah Counties

At the May 9, 2018 Council meeting, Council members requested information on the current sales tax rates for all 29 counties in Utah. Staff has provided this information in the attached Exhibit A.

Community Impacts of Sales Tax Increases

Staff analyzed the residential and visitor/tourist impact, in terms of dollars, of imposing the 4th Quarter tax.

County-wide as a whole, visitors pay about 50% of local taxes. If we estimate that the revenues generated in the first year of imposing the 4th Quarter tax to be about \$3.6 million, then visitors would pay about \$1.8 million of that total.

The remaining 50% of local taxes are paid by roughly 40,000 county residents, which by our best estimate translates to about \$45 per resident per year.

After July 1, 2019, once the revenues from the 4th Quarter tax are divided by the previously mentioned distribution formula (0.10%/0.10%/0.05%), the county might only get around \$36 per resident even though residents are still paying \$45 per person per year.

Staff also discussed these tax options with the Park City Chamber of Commerce, Visitor's Bureau to better understand the potential impacts on our market competitiveness and tourist economy. With the caveat that there was not time to

fully study the economic impacts of imposing the 4th and 5th Quarter taxes before the drafting of this staff report, the Chamber/Bureau indicated the biggest impact would be on group sales (i.e. conferences, trade shows, junkets, etc.) as those are the individuals comparing tax rates between destinations for the best deal. The average tourist going on vacation does not typically factor in sales tax rates when deciding between destinations to visit.

Included in the attached exhibit is a small market comparison of tax rates between Summit County and other mountain towns/ski destinations in Colorado, Wyoming and Utah.

Input from Local Mayors

Councilmember Kim Carson has reached out to the Mayors of all Summit County municipalities (Park City, Francis, Kamas, Oakley, Coalville, Henefer) to inform them of S.B. 136 and the actions the State Legislature is compelling counties to make. Councilmember Carson is also gauging of the interest or opposition from the municipalities in imposing these taxes. This will be an agenda item at the June 2018 Council of Governments (COG) meeting.

Additionally, County staff met with Park City Municipal Corporation (PCMC) staff and found out the 4th Quarter tax is not on the City Council's agenda, nor have any discussions taken place about it among the city's elected leaders. There is not a sense Park City would impose the 4th Quarter tax in July 2020 if the county does not act.

The City remains available to offer assistance as needed and has committed to partnering with the County on any transportation and transit projects. However, similarly to the concerns raised by Summit County Council members and staff, PCMC expressed concerns about the short timeframe in which to impose the tax with little time to explain it to the public and seek support for key projects. We also discussed our joint concerns about overall tax rates in the County and the initiatives of other taxing entities who are considering their own tax proposals.

Pros and Cons of Imposing these Taxes

Pros

- The County keeps 100% of the revenues generated from the 4th Quarter sales tax until June 30, 2019; and 100% of the revenues generated from the "5th Quarter".
 - Might make imposing the tax more palatable with the community because the taxes they pay stay 100% within the County and go to serving the taxpayers directly.

- Before considering the 2nd and 3rd Quarters, Summit County staff, jointly with Park City Municipal staff, identified over \$130 million in transportation and transit needs. Even after implementing the 2nd and 3rd Quarters in 2016 there are many transit and transportation infrastructure projects we would like to complete in the County but do not have monies to fund them; the 4th and 5th Quarter taxes provide the revenue we need to increase service levels beyond what is currently budgeted.
- With these two new sources of revenue, including the first year bonus we would get from the 4th Quarter, the County and all our municipalities would be able to do more with transportation and transportation facilities and use existing sources for other Council goals without further taking away from road maintenance and road projects.
- These additional taxes would help the Council further advance its strategic goals of multimodal transportation, congestion reduction, and environmental stewardship by providing critical revenues that can be used to enhance transit and active transportation options, and consequently, reduce greenhouse gas emissions within the County.
- After June 30, 2019 the municipalities within the County would receive a combined total of just over \$2.6 million from the imposition of the 4th Quarter tax. The combined B & C Road funding for Summit County municipalities for fiscal year 2017 was \$773 thousand.
- The County and Transit District would have complete discretion over what happens to the revenues (i.e. how the taxes are spent).
 - In future years if the 4th Quarter is not imposed, the State may come in and impose the taxes and decide how they spend the monies.
- Imposing the taxes now ensures we do not lose the option to impose them in the future.
 - Several provision specific sunsets are already built into the legislation, which may be made more constrictive in future years by the Legislature.
 - If the County does not act by June 30, 2020, Park City has the option of imposing the 4th Quarter tax but none of the monies would go to the county in this scenario.
- The legislation gives the County until June 30, 2023 to impose the 5th Quarter tax, providing time for us to develop a public information and collaboration campaign to build the case for the new tax.
- Implementation of additional transit funding mechanisms, including these taxes and the TIF and Reinvestment Zones created by S.B. 136, place

Summit County in an extremely favorable position when competing for federal, discretionary transit dollars. The current presidential administration has directed U.S.D.O.T. to drastically increase the emphasis on both local and innovative funding shares/options when reviewing discretionary grant applications. Rural communities are also more favored. Unlike most others, Summit County can claim both attributes.

Cons

- These taxes would be imposed on the heels of an increase in property taxes and the 2016 ballot initiatives that voters passed imposing the 2nd and 3rd Quarter sales taxes for transportation infrastructure and transit in addition to the curbside collection fee for waste collection.
- Most likely, the Council will encounter pushback from Summit County residents/citizens and Mayors.
- If both the 4th and 5th Quarters were imposed in Summit County but ***not*** in the other counties, Summit County would have the second highest sales tax rate within the state (behind Weber County).
- A higher sales tax rate on top of the resort tax and TRT could have an impact on our tourism market competitiveness compared to other communities within the state, as well as resort areas across the country (see Exhibit A for a comparison of Summit County to other ski towns in the country).
- Imposing the 4th Quarter tax by June 30, 2018 leaves little time for a public engagement campaign, forcing the County to push through a tax increase without much public discourse or time to build support. This is not the approach the County would generally take to impose a tax increase.
- If Summit County imposes the 4th Quarter tax but Salt Lake and Utah counties do not; Council takes on a huge political risk with little return for the county.

Potential Actions to Consider

Regardless of the action the Council takes by June 30, 2018, staff strongly recommends the County continue to seriously consider imposing the 5th Quarter, 0.20% sales tax for transit capital and service delivery, not in the immediate future but before the June 30, 2023 sunset. We should work with Park City to develop a program around this tax, explaining to the public exactly how we intend to use the monies and on what services/routes/projects. Plan in the time required to educate the public and garner support for this tax prior to imposing it (can decide to put the tax to a vote by the citizens if desired).

Another option to consider during future discussions of this tax is imposing a portion of the 5th Quarter (i.e. not the entire 0.20% at once) to get the Bus Rapid Transit (BRT) project through the right-of-way phase and impose the rest of the percentage when it is time to implement the project.

Scenario #1:

Wait to see what Salt Lake and Utah counties decide to do. Based on the outcome, specifically regarding the 4th Quarter tax, bring this issue to Council once again for discussion and a decision. It does not benefit Summit County to impose the 4th Quarter tax if the most populated counties in the state do not impose it due to the distribution formula.

Scenario #2:

Impose the 4th Quarter tax by June 30, 2018 in order to take advantage of keeping 100% of the revenues within Summit County. Bank the monies until needed for BRT right-of-way or capital, or another large project (or to cover funding gaps in projects under construction in 2018 and 2019). Rescind the tax by July 1, 2019, or create a provision within the enacting ordinance that automatically rescinds the tax if Salt Lake County or Utah County do not impose the 4th Quarter tax.

Scenario #3:

Combination of Scenarios #1 and #2.

Scenario #4:

If Salt Lake and Utah counties impose the 4th Quarter, Summit County imposes the 4th Quarter by June 30, 2018 and maintains the tax after July 1, 2019.

Scenario #5:

Do not impose the 4th Quarter tax. Instead, wait to see what the State Legislature does in the 2019 general session and re-evaluate at that time, keeping this option available for the future with enough distance from the 2016 sales tax increases and when a game-changing project has been identified and funding is needed.

Mobility Matters

Frequently Asked Questions (FAQ)

June 2018



PLEASE EMAIL YOUR THOUGHTS TO
mobilityMatters@summitcounty.org

What is a 4th and/or 5th quarter?

The 4th quarter is a 0.25% sales tax that can be used to either pay debt service or to fund regionally significant transportation facilities. After the first year, revenue from this option are subject to statewide redistribution to cities (0.10%), transit districts (0.10%), and counties (0.05%). The 5th quarter is a 0.20% sales tax that can be used to fund transit capital purchase and service delivery. 100% of the revenues generated by this sales tax go directly to the County. There is no redistribution.

How are the taxes under consideration different from those that were passed in 2016?

They are actually very similar to the previously imposed taxes in that they are intended to be used for improvements to our transportation network. The Legislature has made these additional mechanisms available in hopes of filling a funding gap that remained, even with the previous taxes in place.

The difference this time around is that part of these taxes are redistributed statewide, which means that a portion of the revenues collected go directly to cities within a County. However, this also means that revenues from other counties across the state who impose the tax would come to Summit County.

What are you doing with the money from the 2016 taxes? Wasn't that enough?

County and cit[ies] staff began implementing projects as soon as the funds became available. The Electric Xpress, the Kimball Junction Circulator, and the Kamas Commuter are all funded through the previously imposed taxes, as are some of the electric bikes and the pedestrian tunnel near Park City High School. Also with this

revenue, work has begun on the Jeremy Ranch interchange and the Ecker Park and Ride. The County is in the process of purchasing and improving the Kamas Park and Ride parcel. Both Kamas and Francis also received funding for road overlay projects.

In 2019 with these revenues, the County will construct the Bitner to Silver Creek Road extension, improve trails, expand transit, and begin the environmental phase of Bus Rapid Transit (BRT) on SR-224. Park City will begin its Bonanza Park Transit Center project along with SR-248 Corridor safety improvements. Coalville City will continue with the design process for reconstruction of Coalville Main Street.

Why are we in such a rush to do this?

Because we want to maintain local control of these funds rather than wait for the state to dictate how and where to spend the money. Additionally, if the County acts on the 4th quarter before July 1 of this year, the County will keep 100% of the revenue generated until next July.

How much will this cost me and my family?

Visitors to Summit County pay around 50% of all sales tax and this tax is not applied on (unprepared) food from the grocery store. For locals, the taxes represent around \$1-\$3 per resident per month depending on spending habits.

Will this make Summit County less competitive as compared to other resort communities?

Even if the County Council were to implement both the 4th and 5th Quarters, Summit County would still be on the lower end of overall sales tax rates compared to other counties in Utah. Our tax rate would also remain lower than comparable communities in Colorado, such as Vail, Aspen, and Breckenridge.

What would the County Council spend the money on?

The revenues generated would significantly increase the amount of dollars that go to Kamas, Coalville, Francis, Henefer, Oakley, and Park City for road infrastructure improvements. Quite simply, it would mean more money for municipalities to address their own transportation priorities. The County would also have the ability to fund projects in Kimball Junction, on SR-224, and in Silver Creek sooner than previously planned.

Additionally, implementation of these taxes would place Summit County in an extremely favorable position when competing for federal, discretionary transit dollars (i.e. very large grants; in some cases, \$80 million). The current presidential administration has directed U.S.D.O.T. to drastically increase the emphasis on both

local and innovative funding shares/options when reviewing discretionary grant applications. Rural communities are also more favored. Unlike most others, Summit County can claim both attributes.

Can you use this money to fund other programs in the County like mental health or recycling?

Because of how these taxes were authorized by the Legislature, the funds can only be used on transportation and transit projects or to pay off debt from these projects.

I want to talk to the County Council about this!

The County Council wants to hear from you during the decision making process. To be a part of the conversation, before June 27, please contact any Council or staff member directly or send an email to mobilitymatters@summitcounty.org.



Governor's Office of
Economic Development

BUSINESS • TOURISM • FILM

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Q. VAL HALE
Executive Director

BENJAMIN L. HART
Deputy Director

"Exhibit B"
City Council June 25, 2018

6/21/2018

Sheldon A. Smith
Coalville City
PO Box 188
Coalville, Utah 84017

Your recent application for a renewal of your Enterprise Zone designation has been reviewed and approved. The Coalville City Enterprise Zone is set to expire December 31, 2022 and may be renewed at any time for a new five-year term.

All eligible businesses expanding or locating in the zone area may be eligible for tax credits available under the program beginning January 1 of 2018.

If you have any questions about this approval or the Enterprise Zone in general, please contact me at (801) 538-8804.

Sincerely,

Linda Gillmor
Director- Office of Rural Development
Governor's Office of Economic Development
60 East South Temple, 3rd Floor
Salt Lake City, Utah 84114-6950
Office 801 538-8804
Email: Lgillmor@utah.gov

Sent via email to: ssmith@allwest.net

