

MINUTES OF THE EAGLE MOUNTAIN CITY COUNCIL
March 2, 2004
Eagle Mountain City Council Chambers
1680 East Heritage Drive
Eagle Mountain, Utah 84043

Prayer by Invitation of the Mayor

The prayer was offered by Linn Strouse.

POLICY SESSION – 7:00 PM

Mayor Kelvin Bailey called the meeting to order at 7:03 PM.

1. Roll Call:

Council Members Present: Mayor Kelvin Bailey, David Blackburn, Diane Jacob, Vincent Liddiard, Mark Madsen, Linn Strouse

City Staff:

City Administrator:	Chris Hillman
City Attorney:	Gerald Kinghorn
City Engineer:	Korey Walker
City Recorder:	Janet Valentine
Deputy Recorder:	DeAnna Whitney
Finance Director:	Gordon Burt
Planning Director:	Shawn Warnke
City Planner:	Adam Lenhard
Public Works Director:	Mark Sovine
Fire Chief:	Robert DeKorver
Utah County Sheriff:	Deputies John Mulder and Shawn Radmall

Others Present: Jeremy Simmons, Family Solutions Consulting; residents Mark Lofgren, Ryan Borneman, David Lifferth, Henry Graham Kicklighter, Wendy Minks, Harry Bakken; Greg Nash, GIS representative from the University of Utah; Lisa Holland, Fire Fighters Ladies Auxiliary; Scott Hazard, the Ranches, L.C..

2. Pledge of Allegiance:

The Pledge of Allegiance was lead by David Blackburn.

3. Approval of Minutes (February 17, 2004):

MOTION: *Linn Strouse moved to approve the Minutes of February 17, 2003. Diane Jacob seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

MINUTES OF THE EAGLE MOUNTAIN CITY COUNCIL MEETING

February 17, 2004

Eagle Mountain City Council Chambers

1680 East Heritage Drive

Eagle Mountain, Utah 84043

WORK SESSION - No Action or Minutes Taken – 4:00 to 5:00 PM

1. Consent Agenda
2. Update on 2002-2003 Audit by Dennis Robbins of Osborne, Robbins and Buhler
3. Presentation by Craig Hancock with UDOT regarding Plans for Improvements on SR 73
4. Presentation by Utah County concerning Proposed Ordinance for Beer Handling Licenses
5. Discussion regarding Proposed Zoning for the Meadow Ranch Annexation
6. Adjourn Work Session at 5:30 PM

CLOSED EXECUTIVE SESSION – 5:00 to 6:30 PM

1. Motion to recess in to a Closed Executive Session for the purpose of discussing personnel issues:

MOTION: *David Blackburn moved to recess in to a Closed Executive Session for the purpose of discussing personnel issues at 5:30PM. Diane Jacob seconded the motion. Ayes: 5 – Linn Strouse David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

Present: Kelvin Bailey, David Blackburn, Diane Jacob, Vincent Liddiard, Mark Madsen, and Linn Strouse, Chris Hillman, and Gerald Kinghorn.

2. Motion to Adjourn the Closed Executive Session:

MOTION: *Linn Strouse moved to adjourn the Closed Executive Session at 6:50 PM. Diane Jacob seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

Prayer by Invitation of the Mayor

Vincent Liddiard offered the prayer.

POLICY SESSION – 7:00 PM

Mayor Kelvin Bailey called the meeting to order at 7:15 PM.

1. **Roll Call:**

Council Members Present: Mayor Kelvin Bailey, David Blackburn, Diane Jacob, Vincent Liddiard, Mark Madsen, Linn Strouse. .

City Staff:

City Administrator:	Chris Hillman
City Attorney:	Gerald Kinghorn
City Engineer:	Korey Walker
City Recorder:	Janet Valentine
Deputy Recorder:	DeAnna Whitney
Accountant:	Glen Sexton
Planning Director:	Shawn Warnke
Public Works Director:	Mark Sovine
Utah County Sheriff:	Sergeant JoAnn Murphy
Fire Department:	Chief Robert DeKorver

Others Present: Tim Smith, resident; Polly Godfrey, resident of Fairview; Wendy Baggeley, resident.

2. **Pledge of Allegiance:**

The Pledge of Allegiance was lead by Kelvin Bailey.

3. **Approval of Minutes (CC Meeting February 3, 2004):**

MOTION: *Mark Madsen moved to approve the Minutes of February 3, 2004. Vincent Liddiard seconded the motion. Ayes: 4 – Linn Strouse, David Blackburn, Vincent Liddiard, Mark Madsen; Nays: 0. Diane Jacob abstained since she was not present at the February 3 Policy Session. Motion passed.*

4. **General Discussion/Questions/Announcements:**

Mayor Bailey presented the Kermit the Frog Award to Chris Hillman on behalf of the employees and staff of the City.

5. **Appointments:**

A. Board of Adjustment

Mayor Bailey recommended the appointment of Darin Montgomery to serve on the Board of Adjustment for a term from February 17 through December 31, 2004, and the appointment of Steve Seegmiller to serve on the Board of Adjustment for a term from February 17, 2004, through December 31, 2006.

MOTION: *Linn Strouse moved to approve the appointments of Darin Montgomery and Steve Seegmiller to serve on the Board of Adjustment. Vincent Liddiard seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

Vincent Liddiard explained that the Board of Adjustment acts as an appeals board to handle appeals from persons with planning concerns.

6. Public Notices:

None

7. Public Comment:

Tim Smith, resident, expressed his concerns about the UDOT recommendation to lower the speed limit on SR 73. He stated that in most accidents there are other causes besides speed, such as animal crossings, DUI, etc. He recommended that proper acceleration lanes, turn lanes, passing lanes and proper animal crossings be installed to provide better traffic safety. He indicated that lowering the speed limit would increase congestion and increase the probability of more accidents.

Polly Godfrey, resident of Fairview and sister-in-law of a person killed on SR 73 on February 7, expressed her concerns about the increase in traffic on SR 73, the lack of enough lanes and the problem with DUP's. She encouraged the City to take aggressive action to look for answers to traffic issues on SR 73.

Mayor Bailey explained that the City had been working on these concerns for some time by giving input to UDOT, which controls SR 73. He referred to a presentation from UDOT during Work Session regarding plans to widen the road this summer.

Linn Strouse advised that in her latest conversation with UDOT, there was great support to meet the needs for improvement on SR 73. She stated that UDOT stressed that the Legislature needs to hear the complaints from citizens because they control the budget. She requested that all citizens email their concerns to her so that she can forward the messages to the Legislature.

Wendy Baggeley, resident, reported that the Eagle Mountain City Youth Council attended the State Legislature on Monday, February 16, were recognized on both the House and Senate floors, took a capitol tour, and attended a Senate Education Committee meeting with Senator Wright who answered questions from the youth. She indicated that the conflict of interest question came up with Senator Wright and, since this has been an issue dealt with by the Eagle Mountain City Council, she described how the State Legislature deals with this issue. She advised that Senator Wright and Representative Cox both stated that conflicts of interest arise regularly on the State level because it is a

citizen legislature; however, this does not become a problem because of the trust they have among their colleagues who always declare a conflict before voting.

Linn Strouse expressed her appreciation to Wendy Baggeley for planning this day at the Legislature for the Youth Council. Council Member Strouse advised that Mrs. Baggeley was able to save the City money by planning the activity on her own.

8. Council Comments:

Vincent Liddiard stated that the Fire Department is now better staffed during the day because of the hiring of part-time fire fighters. Council Member Liddiard stated that Fire Chief DeKorver and Deputy Fire Chiefs McCarthy and Homen would be presenting to “the powers that be” a proposal for EMT/paramedic status for the ambulance response for the City.

9. Public Hearing: “Ordinance Amending and Re-enacting Impact Fees for Eagle Mountain City” (Impact Fees are calculated based on a subdivision-per-subdivision basis. Refer to Impact Fee Ordinance for the actual fees per subdivision):

Gerald Kinghorn explained that this amendment would revise the impact fees generally downward and correct some rounding errors and accounting errors in the existing Impact Fee Ordinance. He stated the purpose of this amendment was to try to relieve the economic burden currently being placed on builders. He advised that builders met with the staff and the Mayor and reached a fair and equitable adjustment of the impact fees. He said that the adoption of the ordinance would be an express acknowledgement by the Council of a need for one or more alternatives to be used in the future regarding the financing of future public facilities.

A. Open Public Hearing:

Mayor Bailey opened the Public Hearing at 7:39 PM

B. Receive Public Comment:

Janet Valentine read a statement from Monte Kingston, Eagle Mountain Links, regarding the increase in impact fees in December 2003. His statement explained how the increase would impact his bottom line. He recommended that the impact fees be phased in over a three-year period. He also asked the Council to consider having fees due at building permit rather than at recordation. A copy of his statement is attached.

Mike Wren, Eagle Mountain Properties, encouraged the Council to consider allowing refunds to builders who pulled permits and paid the higher fees since the December increase.

C. Close Public Hearing:

The Mayor closed the Public Hearing at 7:45 PM

Mayor Bailey explained that the Council had spent a great deal of time on this issue during the last two Council meetings and that the City had spent approximately six months redoing the Capital Facilities Plan. He advised that the goal of the City was to create an Impact Fee Ordinance that would allow the City to be able to finance future infrastructure needed for growth and get out of the "catch up mode" which currently exists. He advised that the City did not receive enough input from developers to understand the economic impact the ordinance would have on them. He stated it had been a challenge to find a balance that works for the City, the builders, and the developers at the same time. He stated the City is trying to strike a balance to keep the market moving, keep the City going and provide economic means needed to build future infrastructure.

Mark Madsen expressed his concern that the current wording creates certain inequities by requiring some homebuyers, particularly in the South Service Area, to pay for the capacity they would be using and also paying for the capacity not yet existing for future users.

Korey Walker explained that in the long run all residents would be benefited because the City would eventually be able to bring secondary water back into the community, even though this is a cost under the proposed ordinance that will be burdened on future development and that today's residents will benefit from.

Mark Madsen clarified that there would be a collateral benefit in the secondary system that would justify the "double dip" now. This was verified by Mr. Walker who explained that residents of today and tomorrow would be paying user rates for the improvements of today and that the City would have to determine how to get to the next level of improvement.

Mayor Bailey further explained that the collection of future impact fees would go towards helping to reduce the current debt. He stated that as more residents come in to the City and the faster they come in, the quicker the sewer rate can be reduced. He indicated that even though a resident pays an impact fee today, five years from now, or ten years from now, the user rate would have dropped incrementally. He stated there is no double dipping because everyone is paying the same amount, but it comes out over a period of years.

Linn Strouse asked about plans for secondary water use. Mr. Walker advised that one of the goals of the Capital Facilities Plan is to have a treatment facility that treats effluent water so that it can be returned to use in open spaces within the community. Council Member Strouse wanted clarification as to whether residents would have use of this

secondary water for their own properties. Mr. Walker advised there would eventually be some subdivisions that would have treated effluent water for use at their residences.

Vincent Liddiard stated that impact fees over time have tended to work on a “pendulum swinging from end to the other.” He indicated he sees this amendment to the Impact Fee Ordinance as a smaller movement that would become more precise as it is worked through, eventually reaching the point where there is a positive benefit for everyone concerned. He advised it is difficult to determine how much would be paid for future capacities and from where the monies would come. He referred to the \$45 included in the ordinance earmarked for public safety and wished this amount were larger, but stated that it is an amount that can be worked with now with the hope of increasing it in the future. He read a statement from the National Safety Council, which reported: “Statistics say if you want to be safe, go to work.” Council Member Liddiard stated that out of the 100,000 accidents that occurred last year in the United States, roughly 5,000 occurred at work, so it was safer to be at work than at home. He advised that our community is growing, which would put greater burdens and responsibilities on our small number of public servants who patrol the roads, respond to fire and accidents, etc. He asked for suggestions from citizens to provide ways to meet the future public safety needs of the City.

10. Consideration and Approval of an Ordinance of Eagle Mountain City, Utah, Amending and Approving the 2003 Capital Facilities Plan, Adopting an Impact Fee Economic Analysis and Amending and Enacting an Ordinance Requiring the Payment of Impact Fees for Certain Public Facilities:

MOTION: *Vincent Liddiard moved to accept an Ordinance of Eagle Mountain City, Utah, Amending Ordinance O 21-2003 and Enacting an Ordinance to Require Payment of Impact Fees for Certain Public Facilities, this Ordinance being No. O 05-2004, effective 12-19-2003, and allowing refunds to builders who have pulled permits and paid the higher fees since December. David Blackburn seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

11. Consideration and Approval of the Final Plat for Pioneer Addition, Phase 2:

Shawn Warnke introduced the new City Planner, Adam Lenhard, and turned the time over to him for a presentation on this matter.

Adam Lenhard gave background information on the final plat for Pioneer Addition, Phase 2. He recommended approval with conditions shown in the staff report.

Vincent Liddiard asked for clarification of alternative design guidelines. Mr. Lenhard listed these guidelines: 1) Front yard setbacks of 20 feet minimum, unless shown on the plat; 2) ten percent of the lots showing a minimum front setback of 30 feet; 3) side yard setbacks five feet and seven feet, for a total of 12 feet; 4) rear yard setbacks 15 feet; 5) lot

sizes of 6,000 square feet minimum; and 6) lot width of 52 feet minimum on the front lot line.

Shawn Warnke explained that the intent was to make the alternative design guidelines comply with those shown in Pioneer Addition, Phase 1.

Diane Jacob asked if this subdivision would have some of the park paid for with SID funds that had not materialized? Mike Wren, Eagle Mountain Properties, responded that there is one central park required for all of Pioneer Addition. He indicated that half of the park was required to be built with Phase 1 and the other half with Phase 3 and would be paid for with bonding rather than an SID funds.

Vincent Liddiard recommended that porch sizes be called out to reduce confusion. Shawn Warnke stated that porch sizes would be the same as in the code but that they should be called out. Mr. Warnke advised that porch sizes would be addressed at a later date with the approval of the Development Agreement.

Mike Wren advised that they would follow the existing code with regard to porch sizes.

MOTION: *Linn Strouse moved to approve Pioneer Addition, Phase 2, Final Plat subject to the conditions in the staff report: 1) Plat Text Changes – that they be made according to the City Attorney’s comments; 2) E-file – that the e-file for dry utilities is submitted; 3) Storm Drain Pond – that there are grass and landscaping improvements for the storm drain pond; 4) Alternative Design Guidelines – that the same alternative design guidelines that were approved for Phase 1 also be approved for Phase 2; 5) Loop Feed for Gas – that there is a loop feed for gas on Frontier Street; and 6) Offsite Utility Easement – that an offsite utility easement be recorded for the telecommunication line, and that the porch size be called out. Vincent Liddiard seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

12. Consideration and Approval of a Resolution Amending the Telecommunications Fee Schedule (for the purpose of including a vacation rate for phone service and check return fee):

Mayor Bailey explained that this fee would allow residents who would be away for an extended period of time to discontinue service but retain their same phone number when service is reinstated.

MOTION: *Diane Jacob moved to approve Resolution No. R 03-2004, a Resolution of the Governing Body of Eagle Mountain City Amending the Eagle Mountain City Telecommunications Fee Schedule, as outlined. Vincent Liddiard seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

13. Consideration and Approval of a Resolution Amending the Eagle Mountain City Consolidated Fee Schedule (for the purpose of amending the check return fee):

The Mayor explained that currently Telecom and the Utility Department are charging different fees for returned checks. This amendment will set the fee for returned checks at \$25 or one percent of the balance, which is what other cities and entities are charging.

MOTION: *Diane Jacob moved to approve Resolution No. R 04-2004, a Resolution of the Governing Body of the City Eagle Mountain Amending the Eagle Mountain City Consolidated Fee Schedule. David Blackburn seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

14. Consideration and Approval to Amend the Eagle Mountain City Standard Construction & Development Specifications for the purpose of identifying Design and Construction Standards and Procedures with relation to the Electrical System for New Developments:

Mayor Bailey advised this amendment would set standards for the design and construction of electrical systems for the City.

Mark Sovine stated that the City is looking at similar changes for the gas and water systems for the City and would present these changes to the Public Works Board for approval.

MOTION: *David Blackburn moved to consider and approve an Amendment to the Eagle Mountain City Design Requirements, Equipment and Material Requirements, Construction Specifications and Drawings pertaining to Electrical Infrastructure and Residential Subdivisions, as presented with the enclosed materials. Vincent Liddiard seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

15. Consideration and Approval of an Addendum to Lease #995 with South Valley Leasing:

Chris Hillman explained that the lease agreement on the newer portion of the City Offices would expire at the end of February 2004. He recommended the Council move to extend the lease for another twelve months. He advised that the City could terminate the lease at any time and that the lessee would credit all monies paid during the lease towards the purchase of the building, if the City so desired.

Mayor Bailey reported that the Council is looking into constructing a new facility for the City for a utilities and administration building just south of the new school. He stated the City hopes to have the building completed by the end of the year.

MOTION: *Vincent Liddiard moved to approve an Addendum to Lease #995 with South Valley Leasing. Linn Strouse seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

16. Consideration and Approval of Purchase of Utilities Operation Building Site:

Mayor Bailey explained that the City is looking into purchasing five acres of land adjacent to the current Public Works building in order to construct a new facility. He stated the purchase price is \$40,000 per acre.

Gerald Kinghorn explained that the purchase agreement should have been accompanied by an aviation easement that was not attached as Exhibit B. He indicated that the property had not been surveyed.

Diane Jacob expressed concern about the price of the land. She stated she had information that adjacent property had been sold at well below half the \$40,000 per acre in this purchase agreement and that \$40,000 an acre is not a fair market value price for the land. She stated no one would purchase a home knowing the price was over inflated.

Mayor Bailey stated the City considered this offer because they used as a comparative an appraisal the City had completed on land just south of this property.

Diane Jacob stated she still feels this is an over inflated value for land with no utilities, water rights, or infrastructure and that the City should not be paying \$40,000 an acre. She stated there is nothing else the owner can do with the property at this time.

Mayor Bailey stated the property may have use in the future but that it now is adjacent to property owned by the City and could be put to good use. He indicated the City had looked at other alternatives but that this offer was the only one close to where the City needed it to be.

Gerald Kinghorn advised that this property does have all the utilities accessible to it, which makes this site superior to the GSE site.

Korey Walker added clarification to the aviation easement referred to earlier by Mr. Kinghorn by stating that this easement is not a height-restricted easement but is a general easement for noise. He stated that on the west boundary the property butts up against the height-restricted aviation easement. He agreed with Mr. Kinghorn that the Council should review the easement before a decision is made.

Diane Jacob indicated she had other concerns about this purchase and would bring them up at the next meeting. This item was tabled

17. Consideration and Approval of Purchase of Utilities Administration Building Site:

Gerald Kinghorn presented an addendum and drawing to accompany the purchase agreement to acquire two-acres of property for a utility administration building site. He explained a “reverter clause” which states that if the City did not build on the site or if the City tried to sell the property to a developer within three years, the property would revert back to the seller. The developer would then have to return to the City the consideration paid, which would be a .91 acre site formerly used for the natural gas tank and cash for the SID assessment and rollback taxes (approximately \$6,000 to &7,000 per Mr. Hillman). Mr. Kinghorn stated that a title report would be required within ten days and that an environmental study had been done on both this property and the five-acre parcel discussed in Item 16.

Vincent Liddiard asked for clarification of the “reverter clause.” Mr. Kinghorn stated that once the City begins construction, the clause automatically expires.

David Blackburn asked if Paragraph 2.1 regarding rollback fees was typical in that the buyer pays all rollback taxes. The Mayor advised that this land was being donated to the City with the stipulation that the City pay the rollback taxes and the SID.

Vincent Liddiard asked about exact monies that would be spent by the City for this transaction. Mr. Kinghorn advised that he had the exact amount for the SID but did not have the exact amount on the rollback tax because he needed the title report to determine that amount.

Diane Jacob asked about water rights for this property. Mr. Walker and Mr. Kinghorn stated there was adequate water.

MOTION: *Mark Madsen moved to approve the Standard Real Estate Purchase Contract relating to the Property Purchase and Land Swap of Two Acres for One Acre and for the Greenbelt Rollback and SID Amounts to be determined down to the penny at some near future date. Vincent Liddiard seconded the motion. Ayes: 4 – Linn Strouse, David Blackburn, Vincent Liddiard, Mark Madsen; Nays: 1 – Diane Jacob. Motion passed.*

David Blackburn requested that, in the future in matters of this kind, the Council be given adequate time to review information and that amounts be determined exactly.

Diane Jacob indicated she had the same concerns and that was the reason she voted nay on this item.

18. Consent Agenda:

- A. Contract Change Order
 - 1. Sweetwater Roadway Extension (CO No. 1), Terry Larson Excavating, I Inc.

B. Partial Payment Request

1. Sweetwater Roadway Extension (PP No. 1), Terry Larson Excavating, Inc.

MOTION: *Diane Jacob moved to approve the Consent Agenda. David Blackburn seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

19. Other Business:

None

20. Motion to recess in to a Closed Executive Session for the purpose of discussing personnel issues:

MOTION: *Linn Strouse moved to recess in to a Closed Executive Session for the purpose of discussing personnel issues at 8:30 PM. Vincent Liddiard seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

Present: Mayor Kelvin Bailey, David Blackburn, Diane Jacob, Vincent Liddiard, Mark Madsen, Linn Strouse, Chris Hillman, Gerald Kinghorn.

21. Motion to Close the Closed Executive Session and Reconvene in to Open Session:

MOTION: *Mark Madsen moved to close the Closed Executive Session and Reconvene in to Open Session at 9:16 PM. David Blackburn seconded the motion. Ayes: 5 – Linn Strouse, David Blackburn, Vincent Liddiard, Diane Jacob, Mark Madsen; Nays: 0. Motion passed.*

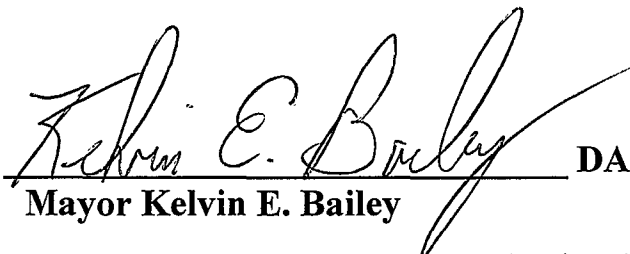
22. Any Actions from the Closed Executive Session:

Mayor Bailey reported that a candidate had been selected for the position of Finance Director, that an offer would be made to the candidate, and the results would be reported to the public.

23. Adjournment:

David Blackburn moved to adjourn the meeting at 9:18 PM.

APPROVAL:



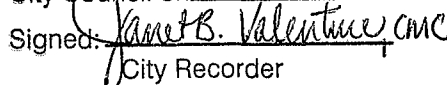
Mayor Kelvin E. Bailey

DATE:

3-2-04

This certifies that the minutes of
17-FEB 2004 are a true, full and
correct copy as approved by the
City Council on 2-Mar. 2004

Signed:



City Recorder



Memo

To: City Council Members
From: Monte Kingston
CC:
Date: February 17, 2004
Re: Impact Fee Increases

I would like to express my concern about the recent Impact Fee increases, which were approved in December, 2003.

As a developer, with upwards of 1,000 existing or future residential units, this increase will obviously impact our bottom line and our ability to market our lots in today's market.

Although we have an optimistic hope that the local real estate market will improve in the near future, the fact is that right now, in today's market conditions, this increase can be very damaging to our existing development – Anthem at The Ranches.

We have recently brought in two builders, Richmond American Homes and Desert Point Builders, to our project. Both of these builders have marketing programs that spend considerable sums of money to draw outside buyers into this market. However, they are concerned with the very competitive pricing strategies they are seeing in this market, and their profit margins are a real concern.

To hit them with an approximate \$1,430 per lot increase, just 1 & 2 months after they closed on their lots was not the best welcome they could have received into the City of Eagle Mountain. The embarrassing part of the whole situation was, we were not aware of the proposed increases.

We fully understand that the City needs to plan for the future infrastructure and utilities needs. But to hit the builders/developers with a 30% increase in impact fees immediately is, in our opinion, too aggressive and potentially damaging to the marketing efforts for all the builders in the City. Our suggestion is to phase in the Impact Fee increases over a three year period. This way, hopefully, the market will recover sufficiently to allow the builders to recoup the impact fee increases by increasing their sales prices. It will be much easier for the builders to absorb a \$300-\$400 increase this year, as well as over the next 2 years, than it would be for them to take the full increase this year.

The other issue that we felt was equally damaging to us, as a developer, was having some of the Impact Fees to now be due at the Final Plat recording. With the existing SID commitments, this additional "upfront" outlay of cash causes additional cash flow challenges.

By requiring these fees to be paid at Final Plat, this will force the developers to develop smaller phases. The Plats will not be recorded until the phases are close to being fully improved. Then the builders will be closing on the lots, and pulling a building permit shortly thereafter. In reality, the City will only be getting the funds 1-3 months earlier, depending on the market activity.

In addition, it forces the developer to charge more for the lots, to make up for the additional interest carry. The builder will then need to charge more for the home, in order to maintain their margins and their return on investment. Therefore, this will damage the marketability of the homes in the City of Eagle Mountain.

We also now have some contractual issues with our builders, in that our builders are required to pay only those fees due at building permit. By moving \$2,500 of the impact fees to final plat, we will be losing the \$2,500/lot – a considerable amount of money.

It is our request that the City:

- Spread the Impact Fee increases over a 3 year period
- Have all Building Impact Fees due at Building Permit

Thank you.