

FINAL MINUTES

VIRGIN TOWN COUNCIL MEETING

WEDNESDAY, June 25, 2014

Work Session at 6:30 pm Regular Meeting at 7:00 pm
Virgin Town Office, 114 So. Mill Street, Virgin, Utah

Present:

Council Members: Mayor, Bruce Densley
 Bill Adams
 Danyale Blackmore
 Jean Krause via Skpe
 Jay Lee

Others: Monica Bowcutt, Town Clerk

Ray Golata	Larry Amodt
John Ely	Linda Collet
Sean Amodt	Steward Ferber
Mason Walters	Sandy Mclurg
Bonnie Timmerman	Wanda Leverett
Becky Galvez	Pat Galvez
Greg Wenz	Chuck Matsler
Andrea Wenzel	George Rodinos
Chief Gary Kulhman	

A. WORK MEETING/Non-Action Items:

The Work Meeting began at 6:32 pm.

a. Discussion of Restrooms and sign for Pocketville Park.

The Council agreed to move forward with building restrooms at Pocketville Park. The estimated cost would be \$10,150, which would come from park impact fees. This amount would require a budget amendment and Public Hearing. This hearing would be held in conjunction with the road amendment hearing. The Council also agreed that more research was needed on the type of sign for Pocketville Park. This would be decided at a later time.

b. Discussion of new name for (lower) Kolob Terrace Road.

The Council discussed the new name for (lower) Kolob Terrace Road. They decided that input from citizens was needed before a decision was made.

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c. Discussion of Van Pool and Transit System.

Mayor Densley stated that SunTran and UTA were talking about developing a van pool and transit system from St. George to Zion National Park. This van pool would be primarily for people who worked in Zion, who did not want to pay the gas to drive everyday. It would start in St. George and make 2-3 stops in Hurricane, one in LaVerkin, and one in Virgin. Plus there was talk about a transit system running the SunTran buses on that route several times a day. He reported that Hurricane and Springdale were pushing the idea, because it would make it less expensive for people who work there, eliminate cars on the highway, and free more parking spaces up in Springdale. Mayor Densley stated that the Council needed to let them know if Virgin would like to support it, or perhaps support it, but not put any money toward it.

John Ely stated that in Portland, Oregon there was a park and ride, but there was a place people could park their cars all day long. He asked if there was definite numbers of people who would use the system. Mayor Densley answered no.

Town Clerk, Monica Bowcutt, stated that Fay Cope, from Springdale reported the item was ready to be decided and they needed to hear from people soon.

Larry Amodt stated that Virgin had put a transit system in the Vision of Virgin.

d. Discussion of BMX funds and payments.

Mayor Densley explained that there was a question on how the funds from the BMX races were divided. Monica Bowcutt stated that after the balances were paid, the percentage division was divided 30 percent to Town and 70 percent to BMX Track personnel. Mayor Densley asked how that was determined and who determined it. Council Member Danyale Blackmore explained that cost determined the amount. First the insurance company and sanction fees must be paid, then the Town gave back to the Track and its personnel. The Town did not make anything on the races, but the people

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running the track deserved to be compensated. She stated that sometimes the races were so small, it just barely covered the participant insurance, but when there was a large race, the Town could make something.

e. Discussion of Rap Tax.

Mayor Densley stated that this was the disbursement of the Rap Tax (Recreation and Arts Tax), but the discussion might be moot because the voters had to pass the tax first. The issue would be on the November ballot and if they voted to implement the tax then the Inter-Local Cooperation agreement said how the funds would be distributed. Mayor Densley mentioned that the group came and spoke to the Town Council several years ago. At that time all the funds went into one fund, and a committee decided where the funds went. There had been a lot of debate as to whether the small towns would get anything. The Mayor reminded the Council that today's discussion was only to how the funds would be broken down if the tax passed and had nothing to do with the validity of the tax. The only question was, if it passed, how did the Town want to break it down. The Mayor continued that the Town might not get anything anyway if we ignored it, then the other entities would get our share. Council Member Danyale Blackmore stated that the Town would not get anything anyway, because "67 percent of the 85 percent shall be divided among the parties based on the population as determined from the most recent census. The Washington Counties portion shall be based on the unincorporated area of the County." Mayor Densley asked if a little bit was better than nothing and all the agreement did was legalize how the money will be broken down.

Council Member Jay Lee stated that it appeared that it was a special interest group who wanted to fund their project with tax dollars. Larry Amodt stated that the first thing they pushed was a new office building. Council Member Jay Lee stated that 15 percent will go to 'cultural organizations' and he would like to know who cultural organizations were. Council Member Jean Krause stated that they were talking about Tuacahn.

Council Member Lee also wondered if the Town was going to pay the money to have the attorney

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review it. Mayor Densley responded that only if the Town wanted to fight it. Council Member Jay Lee stated that if the Town did not pass the disbursement agreement, it would not get any of the revenue. He also stated that it appeared that if the Town did not pass it, then any revenue generated in Virgin could not be taxed for it. This meant that our people would be able to sell the rooms, etc. for less than the cities that did pass it. The amount of tax was not known.

Mayor Densley stated that his opinion was that the Town should sign onto it, preparing for if the tax was passed. Town Clerk, Monica Bowcutt, stated that the Mayor's Signature was all that was needed, not a vote. Council Member Danyale Blackmore stated that she did not see the benefit to the Town as a whole, other than all people benefited from the arts experience in St. George. She was in favor of it because of that reason. Council Member Jean Krause stated that RAP stood for Recreation, Arts and Parks so whatever money we get, could be spent on our parks, the BMX track and other places in Town, not just culture. Council Member Danyale Blackmore stated that the amount the Town received depended on population. Mayor Densley stated that by this we were not stating that the Town was for or against the tax itself, just that we agreed with the disbursement. Council Member Bill Adams stated that Tuacahn was a for-profit organization so it would have nothing to do with the tax. This was a non-profit beneficial organization that would look to the county for tax payer subsidy. Nothing that is a for-profit organization would draw from these funds. In his opinion this was a back door tax and the Town should have nothing to do with it. The benefit we would derive from this was so minimal it would only cost us, as citizens, and we would not benefit from it. The Town's portion of the amount received would would not even buy the toilet paper to supply Pocketville Park. Mayor Densley stated that even if the Town rejected the tax, they may still get taxed because there were two separate issues. Mayor Densley stated he was for the disbursement breakdown if the tax did pass the election. Council Member Bill Adams stated no. Council Member Jay Lee stated no. Council Member Danyale Blackmore stated no. Council Member Jean Krause voted yes. The vote was 3 to 2. The Town will not support the tax or the disbursement of it.

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f. Discussion of Road funds and which Road projects are priority.

Mayor Bruce Densley stated that great news had come regarding Town roads. He stated that the Town had about \$250,000.000 available in the road fund, which did not count the Kolob Road money. The Town had been saving up the funds and the roads were ready for attention. The list of projects, with recommendations from the engineer would be available. The problem was the Town had not budgeted to spend that much money. To solve the problem, there would be a Public Hearing in July to amend the budget. The Mayor stated that Darren Cottam's list of projects and recommendations for which roads needed to be fogged, chip sealed, or fill cracks would be available. The Mayor also stated that chip seal would be done during the winter. The Mayor asked for citizen input on which roads should be given priority.

g. Discussion of Public Hearing in July for impact fee changes (fire), and amending the budget for Road projects.

Mayor Bruce Densley stated that there would be Public Hearing in July to amend the impact fees. The Town did not need to charge for fire because the County was collecting those fees now.

Mayor Densley also stated that he had found out a public hearing must be held before a Conditional Use Permit was granted. The Public Hearings for Hal Cannon and Eric Bonner would be held on July 9. Larry Amodt stated that the Conditional Use Permits must be acted on within thirty days of the Planning and Zoning approval.

Town Clerk, Monica Bowcutt, stated that a Public Hearing must also be held to amend the Parks budget to build the new restrooms in Pocketville Park.

The Mayor thanked Bill Swenson for the new soft seats in the Town Office.

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B. REGULAR MEETING/Action Items:

1. Call to Order-Mayor Bruce Densley

Mayor Bruce Densley called the meeting to order at 7:02 pm.

2. Invocation/Pledge of Allegiance

Mayor Bruce Densley gave an invocation. Council Member Bill Adams led the Pledge of Allegiance.

3. Declaration of Conflicts of Interest.

No Conflicts of Interest were declared. Mayor Bruce Densley stated that he had had Ex Parte Communications with Monte Lutz on general Town issues. He reported that they did not discuss any details on issues that were before the Council.

OLD BUSINESS:

4. Review with possible approval of May 13, 2014 Special Meeting draft minutes.

Council Member Jean Krause stated that she had sent an email with her suggested issues and changes to the Town Clerk. Council Member Jay Lee stated that he had reviewed Council Member Krause's email and felt the changes covered the changes.

Jean Krause moved to approve the draft minutes of the May 13, 2014 Town Council Special Meeting, as set forth in her email, which laid out the suggested changes.

Council Member Jean Krause clarified that on page 2, line 8, it should read that the Town was expecting \$112,000, not \$12. The other changes were grammatical in nature.

Bill Adams gave the second. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Abstain, Jean Krause-Aye, via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed.

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5. Review with possible approval of May 28, 2014 draft minutes.

Council Member Jean Krause stated that she had sent an email with her changes to Monica Bowcutt, Town Clerk and Darcey Spendlove. She had also received a response via email from Darcey Spendlove. She reported that Darcey Spendlove would be deleting the last sentence on page 3, line 22. The sentence in question was said by Monte Lutz, about an auction fee, and was not pertinent to the discussion. Council Member Jean Krause stated her other changes, which had also been emailed to Darcey Spendlove were grammatical.

Bill Adams moved to approve the May 28, 2014 Town Council Meeting draft minutes as amended. Bruce Densley seconded the motion. Vote on motion: Bill Adams-Aye, Danyale Blackmore-Abstain, Jean Krause-Aye, via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed.

6. Review with possible approval of March Invoices and Checks.

Town Clerk, Monica Bowcutt, stated that this was the month Council Member Jay Lee had a question on the two different invoices on the same day. She reported that Candus Tibbits, Town Accountant, had said that Council Member Lee was looking at was the invoice numbers, not the check numbers, so there was no question.

Jean Krause moved to approve the March 2014 Invoices and Checks. Bill Adams seconded the motion. Vote on motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye, via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye, The motion passed.

7. Review with possible approval of May Invoices and Checks.

Council Member Jay Lee asked why there was a bill from the Police Department for November and December. He wondered if the late billing was going to effect the budget. The Mayor stated no.

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Jay Motion moved to approve the May Invoices and Checks. Bill Adams seconded the motion. Vote on motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye, via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

NEW BUSINESS:

8. Presentation of concept for a Destination Spot in Virgin-Stewart Ferber

Stewart Ferber introduced himself. He stated that he owned properties in Springdale and also the property that was directly across from where the new Kolob Road was going in. He stated that he was there to get a feeling from the Town about putting in a destination spot on the property. He explained that Interstate Rock had approached him about becoming partners on the project. The project would include a nice hotel, service station, and convenience store. He stated that the problem was that he needed to build the hotel 35 feet in the air to accommodate the franchise regulations. This would be a modern, first class, Marriott type hotel. He wanted to build a facility that would have conventions, etc. Mr. Ferber stated that he felt Springdale's ordinances were too tight. He stated that most of the new, modern business in Springdale were built on a lawsuit, except for his projects, which were built by the book. Interstate Rock had the ability to put in a second sewer system for the project. He stated that it was a huge risk to build in Virgin, but it would be successful if he was allowed to build how he knew it would succeed. He felt that the first guy in, needed a break, because he needed to be able to sell the project. Mr. Ferber explained that he would like to have a discussion with the Town, especially about the 35 feet height regulation.

George Rodinos asked about bringing the project down five feet. Mr. Ferber explained that the property was already down below the level of the highway about five feet.

Council Member Bill Adams asked Mr. Ferber to show on the map, where his property was. He did so,

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explaining that the property was a total of sixteen acres, which included both sides of the Rio de Sion Drive. He explained that the service station would be the first stage on the East side of the road and it was up to grade with the highway. The West side of the road was about 5 feet below grade. He stated that the nice thing about going up three stories was that it had a smaller footprint. Three stories appealed to everything from running the hotel, to the franchise, and having only one building. Council Member Bill Adams asked how far back the hotel would be pushed without running into flood plain. Mr. Ferber stated that no part of his property was located in the flood plain. Council Member Bill Adams asked how far back and how below grade the hotel would be. He stated that he felt most of the Town would go for the project if they could see what the project would look like, making sure it was not going to be an eyesore. He wanted to make sure it was low enough to protect the cliff behind. Mr. Ferber explained that the hotel in LaVerkin had a pitched roof, showing that not all hotels were going to flat roof and fit into the landscape style. He stated that his franchise would not allow exterior corridors and two stories.

George Rodinos asked how many rooms the motel would have. Mr. Ferber answered about 120 to 130.

Bruce Densley reported that he had done some research and found that LaQuinta had stated that in areas which were considered sensitive or had special cases because of size, vistas, and/or proximity they were willing to consider exceptions on a case by case basis. He also stated that Chief Kuhlman had some information that was pertinent to three story buildings.

Council Member Jean Krause stated that the property owner located between Stewart Ferber and the river was a resort company, who planned to, one day, come in and build something. She wondered if the Town allowed Mr. Ferber to build a three story building, would the other property owner want to build a four story building to see over Mr. Ferber.

Monte Lutz asked if the hotel would be a conference center style building with larger rooms, etc. Mr.

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Ferber stated that yes, and he was looking to bring bus tours in, who did not allow exterior corridor rooms.

Council Member Danyale Blackmore asked Mr. Ferber for a picture or a concept plan. She suggested he bring several, which described the different plans which might be built.

Larry Amodt asked that the Council and Planning and Zoning familiarize themselves with the Resort Zone. He stated that the Town had spent two years writing it, with a lot of public comments. Everything that could possibly come up as far as parking, set backs, landscaping, color, and options for trails had been included. He felt that it was important to read because the Town had already decided how the hotels, motels, and other business should look like and be required to do. Mayor Densley added that Mr. Ferber had given input on the document at that time.

Fire Chief Kuhlmann stated that there were magic numbers in the codes that had trigger points. One of them was a structure that was either three stories or 35 feet in height which triggered a rating process from the insurance services office. This rating process impacted not only the hotel, but all the residents in the area. He explained that every five to eight years ISO came and looked at everything from how many hoses, to the fire equipment, and the training of the firefighters. Then they go out and do a community survey to and look at water supply and hydrant locations. After this they look at the buildings square footage and height. Chief Kuhlmann speculated that this project would likely incur an expense to the city. He further explained that under the old ISO code, in order to keep the same rating as a 5, Virgin would have to have a ladder truck within so many road miles. He stated that the project could be done, it would just have an impact. Chief Kuhlmann explained that two stories was different than three, and that over 35 feet which was still two stories triggered the same requirement: larger fire pumps, larger fire flows, larger water mains, closer hydrant spacing and a number of other things that carry a fiscal note for the city and developer. He stated that he wanted the Council to be aware that as they make these decisions, there were a number of things that should probably be looked at. He also

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stated that the project may require the Town to upgrade the water system and add a multiple number of hydrants, and these discussions should be included in the beginning stages.

Mayor Bruce Densley asked how much a new ladder truck would cost to meet the requirements. Chief answered around \$625,000, but there was a tradeoff. The tradeoff would be that if the Town did not meet the truck requirement, it would be put on a higher ISO rating, not just for here, but for the entire district. He speculated that it could go from a 5 to a 7, which meant that the insurance rates would go back up a few hundred dollars a month. The Chief also stated that there was not a facility available that would fit a new truck. Council Member Bill Adams stated that a new fire house was already in the plans. Chief Kuhlmann stated that that was true, but there was not enough fire volunteers available to man the station, and a station was not any good without personnel to run it. He responded to a question about grants, stating that grants were very tough to get, and only paid about 15%. Chief Kuhlmann stated that the last bid for the new Virgin Town fire station came in around \$500,000, leaving it a million dollars impact to satisfy the ISO. Mayor Bruce Densley clarified that a two story or under 35 feet would not have the same impact. Chief Kuhlmann stated that either three story or 35 feet had the largest impact. Chief Kuhlmann stated that the District was doing the best they could to have the ISO rating remain the same, even with the new hotel in LaVerkin. He explained that LaVerkin's new hotel did not have the same impact because they had a station that was staffed and they also already had the correct flow capacity.

Stewart Ferber stated that this was his point of building a hotel in Virgin. He stated that Virgin was just a doormat. LaVerkin could keep building, while Virgin takes the jolt of the insurance and does not get a dime from them. The Chief disagreed stating that Virgin enjoyed the benefits of a very robust budget, from which very little was generated in Virgin. Virgin residents enjoyed \$400,000 of capital improvements, without contributing very much. Stewart Ferber stated that Springdale was building all these cool things, and Virgin should also be allowed to do so. He stated that there was always risk involved. He also stated that the project would be creating a tax base. He explained that his customers

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did not complain about the 12.55 percent tax they were charged. Mr. Ferber felt that the Town would lose the opportunity if building did not start now. He stated that the building was going to have to be a certain height, then at that point negotiations would begin with the franchise to build it how we wanted it to look. Mayor Bruce Densley stated that he felt a two story would be a slam dunk, but with the three story there were other things that needed to be considered. He asked if the Town was up to meeting the liabilities that were needed. Chief Kuhlmann stated that LaVerkin made a lot of changes to their infrastructure to prepare for the new developments.

Council Member Danyale Blackmore stated that the question was if it was worth the cost to develop the property and to meet what the city standards were. She questioned if it was worth a three story building, if the cost of the building and the profit made cost more than the cost of making all the changes that the Town required to be made.

George Rodinos asked how many separate businesses it would be. Mr. Ferber answered three, until a restaurant and/or gift shop wanted to come in.

Council Member Bill Adams stated that the property was a new access point on the highway to the Zion back country. The project would bring employment and a tax base. He stated that it was time for the citizens to speak up, whether to take the opportunity to move on and move up, or not. His opinion was to take the opportunity to move on and move up.

Mayor Bruce Densley stated that a two story building would be a slam dunk, but there was more to consider with a three story because of the insurance rates possibly going back up and meeting the needs of the fire department code.

Council Member Jean Krause asked for a design plan for a three story and a design plan for a two story. She told Mr. Ferber that the Council wanted options to review.

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Mr. Ferber stated that he had some ideas that included attaching a one story building in front of the three story, so it was more of a step. Also, he stated, flat roofed two story buildings looked pretty awkward, because the roof and cooling equipment could be seen from the road. He stated that he needed to know that the Council was open to accepting the project.

Council Member Danyale Blackmore stated that she needed to know if concept and design was beneficial to the Town or if it would impact the Town to badly to be worth it.

Larry Amodt stated that the Town had dodged the bullet the last couple of years of not raising the taxes, but he did not see any way the Town could continue to do that. Sometime soon the Town was going to have to raise the property taxes. He stated that not many companies use the ISO rating to figure their bills, his insurance premiums had not gone down. He felt that if this project went in, the Town would make enough money to pay for the infrastructure that would be needed in the coming years. Mr. Amodt continued that if the new project required that the Town help the fire department by providing more equipment, the Town would have enough money to do it because of the tax base. He stated that the Town had to do something, because now it was at a point that if the Town did not have some kind of tax base it was going to be hard to continue, without putting the cost on the backs of the homeowners.

Linda Collett asked what was the average occupancy rate of Springdale. Mr. Ferber answered that year round it was about 72 percent for his properties. He stated that that included the time he was closed during the winter. He also reported that he owned 210 rooms and 200 RV spots.

Mr. Ferber stated that his project would provide jobs and a tax base for the Town. People loved to work in the Town where they lived. He stated that it was a great opportunity for himself and Interstate Rock where they had the resources to do it.

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The Council asked Mr. Ferber to come back with several renderings.

Lee Ballard stated that the ordinances had to be changed, which would be hard and arduous. She suggested having the figures in front of the Council to show that it would not cost the Town or tax payers a bunch of money.

Andrea Wenzel asked how the project would effect the Virgin River, which was a commodity in the desert. She asked how it was going to effect the amount of water that was taken through. She stated that people traveling were not concerned about their environment, as residents should be. Mr. Ferber stated that there would be no impact on the river. He stated that the building would use less water resources than a multiple building lay out. Andrea stated that tourist typically don't care about the Town and residents should and questioned if the construction would not have any impact.

Mason Walters stated that she had heard two comments on the gas station and mini mart. She asked if they were the first phase and how long it would take the hotel follow. Stewart Ferber replied that Interstate Rock would build the gas station and convenience store first, then the hotel would follow right after. He reported that it took about a year to build something like this.

Monte Lutz asked if the new intersection to the Zion back country that Council Member Bill Adams referred to was the new Kolob Road. Mayor Bruce Densley stated that yes, it was.

Jean Krause stated that she wanted to see concept plans for a two story and a three story hotel.

9. Discussion of Pat & Becky Galvez Impact Fees.

Pat Galvez stated that he had brought several copies of his packet and his discussion had to do with culinary water impact fees. He stated that he would like to request a refund of one of the two impact

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fees, on two separate lots which he had purchased. He reported that he had owned lot three since 1999 and had bought lot two in April of 2014. He had paid the culinary fees for each lot. Mr. Galvez quoted a letter he received in 1999 saying that the fees had been prorated for \$1500 of impact fees. He stated that the reason for asking for one of the values of impact fee, of current rate, was Utah Code Title 11, Chapter 36A, Section 603 on refunds. He stated that the State of Utah recognized that refunds could be given for three different reasons. The reason that pertained to him was that there would be no impact from one of the two impact fees for culinary water because he did not intend to use it. Mr. Galvez referenced three larger lots, in Desert Garden Estates, Phase I (lots 8, 9, and 10) that were one residence on a larger property with one impact fee. He stated that he and his wife had created one larger lot with one residence, so they should only be held accountable for one impact fee. Another point was the water supply agreement that was signed in 1997 between the Town and the Washington County Water Conservancy District. He stated that several points had been quoted from the document on page 2 of his packet. The point was that the Town had agreed to buy water from the District to meet the needs of the Town up to 1,000 culinary connections. The Town had a limit of 1,000 culinary connections at present, for future needs as well, so his unused water source would be available for the Town to be able charge at future value to future users, if needed. He felt that to not refund his second unused impact fee would be double collection of that fee.

Council Member Danyale Blackmore stated that it was her understanding that the Galvezes had combined the two lots, so the Town had not charged one impact fee. Monica affirmed that the Town had only charged one impact fee, for where the home was being built. Mayor Densley stated that the Town had only charged one impact fee. Mr. Galvez stated that he had only been charged one impact fee, but in the purchase of each property, because the developer was a for profit corporation and residential business, the cost of every product was passed onto the consumer. Whereas, he had purchased two lots, he felt that he had paid the impact fee in the purchase price of the properties. There was an impact fee assigned to both lots, but he would only be using one of those lots, therefore, the other fee was charged into the value of the property, which he had paid.

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Council Member Bill Adams asked who those payments were made to. Mr. Galvez answered that his purchase was to Blackmore Construction. Council Member Adams asked why Mr. Galvez was not asking Blackmore Construction for a refund instead of the Town. Mr. Galvez responded that as he was reading the Utah Codes, the Water Agreement, and the letter he received in 1999 says that Blackmore Construction paid the Washington County Water Conservancy District fees to the Town of Virgin at the time of final approval. Council Members Bill Adams and Danyale Blackmore stated that the Town pays the Water Conservancy at that time. Council Member Danyale Blackmore stated that she was part of Blackmore Construction, and that Blackmore Constructin must pay the WCWCD even to bring the water to the lot and hook up a water meter. She further explained that there was no refund that came back because it was what WCWCD said you must pay per lot to bring the water there. Mayor Bruce Densley stated that all of those lots were priced differently at negotiated prices. He also reported that the Town attorney had stated that generally refunds are not given, particularly if they go back fifteen years because it gets to be very complicated. The Mayor stated that Mr. Galvez was only paying one impact fee and that he was getting a \$1,500 credit for that. Town Clerk, Monica Bowcutt, stated that he was actually getting \$2,025 credit, because he paid \$1,500 but at the current amount in Desert Gardens when you get a building permit, the Town deducts \$2,025. Even though he only paid \$1,500 he got credit for \$2,025.

Council Member Jean Krause asked what the \$1,500 refund they were referring to was. Mayor Densley stated that the WCWCD required that amount at the time the subdivision was established, where most communities collected them at the time of the building permit. These fees were paid in advance so there was a credit, which goes to the owner. Council Member Danyale Blackmore clarified that it does not really go to the owner, but is discounted off the cost. Mr. Galvez had already received a \$1,500 credit.

Mr. Galvez stated that there was no impact on one of culinary lots that he was not using. Council

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Member Danyale Blackmore replied that he was not being charged for the lot he was not using. The Town acknowledged that it was only one lot, so he could not come back and build another residence. Pat Galvez stated that at the start, each lot was charged \$1,500. He stated that any for profit business builds that into the sales price, so he absorbed it in 1999 and then again in 2014, with inflation. His main point was that the State of Utah in their refund section (603) says a local political subdivision shall refund any impact paid by a developer, plus interest earned when (number 3) no impact had resulted. He stated that there was an impact fee taken for one of the lots, when there had been no resulting impact.

Mayor Bruce Densley stated that the Council would forward the issue to the attorney to let him review it. He stated that they wanted to be fair, but they must go by the attorney's suggestions. Council Member Jay Lee suggested that the WCWCD got that money, if they would refund it to us, then we would refund it to you. Council Member Danyale Blackmore suggested Mr. Galvez go ask them. Mr. Galvez replied that he was a resident of this Town, so he was coming here first to follow his agreement. The Council agreed to run the issue by the attorney.

10. Discussion of Jack Ruggles' CUP stipulations and Business License status.

Mayor Densley stated that Jack Ruggles was not present. He also explained that Mr. Ruggles had stated to the Town that he did not need insurance because of the state equine law. David Church, Utah League of Cities and Towns, had pointed out that the equine law only covered certain operations and any business owner would be foolish not to maintain insurance because there were so many other things that apply. Plus, it was part of his Conditional Use Permit, which had been agreed upon. Also, Mr. Ruggles had not ever put in the bathroom facilities, which were originally supposed to be porta potties and then made into permanent facilities down the road. He had not complied with his side of the CUP and had been operating without a business license. The attorneys had suggested that the Town require all these things be done now. If he did not comply, he could be arrested on misdemeanor charges for operating without a business license. The second option was to go through the courts and

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make it a civil matter, which could take years. Mayor Densley stated the Mr. Ruggles also owed the Town close to \$5,000 in water fees. Mayor Densley suggested the Town mail Jack Ruggles a certified letter advising him that he should comply or be arrested. Council Member Bill Adams stated that Mr. Ruggles had had enough time. He thought that once the Town received notice from the Post Office that he had received the letter, the Town should initiate action. He stated that the best way to deal with Mr. Ruggles was to send the police there and have him arrested.

Mayor Densley stated that as a matter of public information, Mr. Ruggles had built a barn/stable/shed on the WCWCD property where the road was supposed to go. The Mayor reported that he had met with Ron Thompson and Mr. Thompson was extremely upset that Mr. Ruggles had done that and was also conducting horseback rides on their property for full profit, without permits. The Mayor reported that the WCWCD was going to be working on Mr. Ruggles also. Mayor Densley stated the Mr. Ruggles had ignored all the Town's attempts to work with him.

Lee Ballard asked why the engineers did not notice the shed. The Mayor replied that they did know, and placed stakes, but the stakes disappeared. Council Member Bill Adams thought that Jack Ruggles would stall the road, but the Mayor stated no. The Council agreed to send a letter and then proceed to arrest. Jay Lee stated that tonight was the hearing that he did not show up for. This meant that Mr. Ruggles now had no business license, and the Conditional Use Permit had also been revoked. Mayor Densley stated that there was a lien attached to the property, so the Town would be paid if it was sold. The Mayor also explained that Mr. Ruggles was not using city water, but a private spring. He also stated that the Town would be willing to work with him on his water availability fee, but he would not talk to the Town.

Monica Bowcutt, Town Clerk, reported that David Church told her with the way the agenda was worded, everything on the agenda was an action item, which could be voted on.

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11. Recommendation from Planning and Zoning to approve CUP-Hal Cannon

Mayor Densley stated that the Conditional Use Permit had been put on hold because the Council had realized that VULU instructions stated that there was to be a Public Hearing prior to any vote for a CUP, which had not been done. He reported that the Public Hearing would be incorporated in July.

Bill Adams moved to table items 11 and 12 pending a Public Hearing in July. Jay Lee seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

12. Recommendation from Planning and Zoning to approve CUP-Eric Bonner

See item number 11 for discussion and motion.

13. Approve Resolution #14-062514-D-Approving purchases through GSA.

Mayor Densley stated that the Government Surplus Association required that every two years the Town submit a new application authorizing people to represent the Town. The person the Town was authorizing to make purchases was the Mayor.

Danyale Blackmore moved to approve Resolution #14-062514-D Approving purchases through GSA, with Mayor Densley as the representative. Bill Adams seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

14. Approve Resolution #14-062514-E-Approving Bruce Densley as the Virgin Town Representative with the BLM.

Mayor Densley stated that the Town needed a Resolution authorizing someone to represent the Town in discussions with the BLM, particularly in regard to the land near the BMX Track.

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Jean Krause, via Skype, moved to approve Resolution #14-062514-E Approving Bruce Densley as the Virgin Town Representative with the BLM. Jay Lee seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

15. Discussion of Adopting Washington County Fire Restrictions as our own.

Mayor Densley stated that in the past years, the County and State had issued fire restrictions, which usually limited fireworks. He recommend that the Town approve the same restrictions. He felt that it was foolish to allow fireworks in Town limits and that Hurricane had designated areas to light fireworks.

Danyale Blackmore moved to adopt the Fire Restrictions for Southwestern Utah as indicated. Bill Adams seconded the motion.

Sean Amodt asked if there was a specific spot in Town that was approved for fireworks. The Mayor stated that no fireworks would be allowed.

Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

16. Discussion of Old Church Restoration Project.

Mayor Densley stated that the project had been out to bid three times and the contractors had been a little confused. He reported that Monica Bowcutt, Town Clerk, had been checking with the CIB, who was providing the funding. The Mayor reported that it appeared that the Town could go back to the lowest bidders and see if they would be able to complete the project within the funds available and still

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not be detrimental to the historical value and the originality of the building. The Council agreed that they should begin discussion with the lowest bidders and work could possibly begin before winter.

17. Continue discussion of water rate increase, Scenarios sent from Terry Smith.

Mayor Densley stated that it was time to get serious about the different scenarios of water rate increase.

On a different note, the Town had been offered to purchase 25 water shares for a very good price. The question was should the Town spend money that they really did not have. He stated that the bank would finance the shares, but the exact figures were not known. The Mayor stated that if the Town committed to buying the shares, the Town must show it as a purchase in the budget. The Mayor reminded the Council that the Town did have 80 acres of water assets in the form of land, but he thought the Council should hold the land until the price went up a little. On the other hand, it was practically unheard of to ever get to buy water at the offered price. If purchased now, the Town would be saving \$25,000, plus the Town did not have to pay for the shares up front. The Council suggested the issue be put on the agenda as an action item.

Council Member Jean Krause stated that the Public Hearing was needed on the water rate increase, but the public did not need to be involved in specific scenarios, as Terry Smith had instructed. She stated that she did not have a problem tabling the item to another meeting. She thought Terry Smith should come back to review the computer figures and clarify the questions at the July meeting. The Council agreed.

18. Discussion and possible appointment of Alternate for BOA and replacement for Kniesha Grow on P&Z.

Mayor Bruce Densley made a motion to appoint Dean Woods as a replacement for Kneisha Grow on the Planning and Zoning.

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Council Member Danyale Blackmore stated that she was going to suggest Chance Wright because he had a background in an industry that would be helpful, but did not know Dean Woods. The Mayor stated that Dean Woods also had a construction background.

Bill Adams seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

The Mayor made a motion to appoint Allen Lee as an alternate on the Board of Adjustments.

Bill Adams asked who was on the Board of Adjustments. Town Clerk, Monica Bowcutt, answered: Fay Cope, Kevin Stout, Michael Marria, Bonnie Timmerman, and Adele Pincock. Bill Adams stated that Allen Lee would be really good because he knew the Town, and how the business works.

Bill Adams seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

Town Clerk, Monica Bowcutt stated that Adele Pincock was the alternate and she would like to remain the alternate. Mayor Densley stated that it would have to be discussed with Allen at a later time.

COUNCIL COMMENTS:

– Mayor Bruce Densley stated that the Kolob road was coming along very well. He reported that within the next two weeks they would be tearing up part of the old road to complete the intersection, which included new paving. He also reported that the road was still on schedule, but not much could be done on the bridge until August 1, because the minnows might be disturbed. He also stated that a couple of citizens from Desert Gardens had requested removing a few more lights near John Grow's

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home.

– Danyale Blackmore stated that the Utah Scenic Byway Strategic Planning Committee was meeting in Springdale on June 26. She also suggested that the Architectural Control Committee should be put back in place in Desert Gardens because the CC&R's required their signatures on all plans. She explained that Bonnie Timmerman had resigned, so there was not a committee, leaving the job to fall back to the developer. Town Clerk, Monica Bowcutt, stated that Danyale Blackmores phone number had been given to all four new building permits. Council Member Blackmore replied that she had not heard from any of the them. Mayor Densley reported that April McKean and Pat Galvez had volunteered. Council Member Danyale Blackmore stated that no building permit should be issued until the signatures were in place. The Mayor stated that the Town could not withhold a building permit based on CC&R's.

John Ely stated that he did not want to be on the Committee, but he had always been willing to help out. He reported that he had created a planned check-list of the CC&R's that Bonnie Timmerman had used and he would be willing to review plans when he was at home. Mayor Densley reported that on the new building permit application there was a box that must be checked advising the applicant that there may be CC&R's.

The Mayor stated regarding lots 17 & 18 in Desert Garden Estates, the excavators and developer had been advised to move from so close to the street. They were measuring from the curb not the property line, plus they were using city set back standards, not the CC&R's. Town Clerk, Monica Bowcutt, stated that the Galvez's had moved from 41 feet from the rear property line to 77 feet. She wondered if they were allowed to do that without coming back to Chris for approval. Mayor Densley stated that they were legal as long as they met the legal set backs.

John Ely suggested that when the foundation forms were inspected the building inspector should check the set backs to see that the building was being built as approved in the building permit. Mayor

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Densley stated that this was a good point and that the Zoning Administrator should be alerted to that also. Council Member Bill Adams stated that as long as the owner was not in violation of the restrictions, they could build their house any where they wanted on their property. Moncia Bowcutt, Town Clerk, explained that she was concerned because they got the plans approved, then went home and turned the house around, which was not approved. Mayor Bruce Densley stated that it did not matter where the house was, because it was their property, as long as they met the city standards. Monica Bowcutt further questioned if the builder was then in violation of the set backs. The Mayor responded that that was another matter. Council Member Danyale Blackmore stated that the Building Inspector, Lance Gifford, should be checking the set backs throughout the building process.

– Jay Lee stated that he felt it was getting to a point that the Town could not do anything themselves. He stated that in the Police Report it said that Springdale Police were busy at the time a dog was hit on the highway, so Springdale called LaVerkin Police to drag the dog of the road. He wondered if citizens had to call the police for everything. Council Member Lee reported that he was told by citizens at the scene not to touch the dog because the police had been called. Council Member Lee also stated that it seemed to him that a lot of the time people came to the Council Meeting to discuss a certain item number or issue and then ended up waiting for all the items at the top of the agenda. He wondered why not move the Minutes section to bottom of the agenda, so people did not have to wait. Mayor Densley stated that in Old Business the Council usually found things that they needed to discuss. He did state that the Council could condense that part of the agenda to a Consent Review, which would be covered with one motion. Council Member Jean Krause stated that Springdale Council reviewed their minutes before the meeting, then had the corrections made before the meeting, and approved the final minutes during that meeting. There was no going through page by page. Council Member Krause stated she was concerned about the stuff that the Council was reminded of, which had not been done, by reviewing the minutes during the meeting. Council Member Jay Lee thought the Town should spray the Purple Night Shade on City streets, which was a noxious weed. He also stated that Chris was a very capable employee and wondered if the Council was shoving Chris aside to let Darren Cottam review the roads upkeep. The Mayor stated that Chris was all right with Darren Cottam, because Chris

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had so much on his plate. Mr. Cottam actually saved Chris a lot of time and using Darren Cottam was not an on going thing. Council Member Jay Lee stated that the Sheep Bridge road should be one of the Town's priorities to pave because of the dust, plus the B&C road money that could be made from it. He stated that he would also like to have some paving to the BMX Track. Mayor Densley stated that when Interstate Rock rotor tilled the old Kolob Road, they were going to spread the old pavement on the BMX Track road. Council Member Danyale Blackmore stated that she thought the 101 road still needed to be addressed because the kids were still riding the bus from Virgin to Springdale because there was no turning lane. She also suggested a flashing slow down sign. Mayor Densley stated that he had approached UDOT and Dana Myer from the State had looked at the 101 road. He then reported that the Mayors from Virgin, Rockville, and Springdale were hitting up the state for passing lanes from here to Springdale. Council Member Jay lee suggested that only one main road should be going to the BMX Track. Council Member Danyale Blackmore stated that the maps for the 80 acres near the BMX Track were at the engineers office, who was volunteering his time to draw the concept plan. Mayor Densley reported that it would cost \$80,000 to pave the Sheep Bridge Road, therefore, he thought the other roads should be paved first. Mayor Densley stated that the Police Department had possibly prevented a suicide at Falls Park.

– Mayor Densley stated that someone asked him about possibly putting in a helicopter pad to take tourists on tours. Council Member Danyale Blackmore stated she was not in favor of it.

– Moncia Bowcutt asked if she could rent a sander and Mike Crawford would donate the time to sand and restrain the office floor. The Council agreed.

OPEN FORUM

No comments were made.

C. ADJOURN PUBLIC MEETING:

19. Approve motion to adjourn public meeting.

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Danyale Blackmore made a motion to adjourn the public meeting. Bill Adams seconded the motion. Vote on Motion: Bill Adams-Aye, Danyale Blackmore-Aye, Jean Krause-Aye via Skype, Jay Lee-Aye, and Mayor Bruce Densley-Aye. The motion passed unanimously.

The Meeting adjourned at 9:15 pm.

Monica Bowcutt

Town Clerk

Approved: _____