

**HIDEOUT, UTAH TOWN COUNCIL MEETING**  
**August 22, 2019**  
**AMENDED AGENDA**

PUBLIC NOTICE IS HEREBY GIVEN that the Town Council of Hideout, Utah will hold its regularly scheduled meeting at 10860 N. Hideout Trail, Hideout, Utah for the purposes and at the times as described below on Thursday, August 22, 2019

All public meetings are available via ZOOM conference call and net meeting. Interested parties may join by dialing in as follows:

Meeting URL: <https://zoom.us/j/4356594739>

To join by telephone dial: US: +1 408 638 0986

Meeting ID: 435 659 4739

**Regular Meeting**

6:00 p.m.

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE
2. ROLL CALL
3. APPROVAL OF COUNCIL MINUTES – March 19, 2019, May 9, 2019, May 23, 2019, & July 11, 2019
4. STATEMENT BY THE MAYOR regarding public affairs
5. WORKING SESSION – MIDA financials analysis
6. CONTINUATION OF PUBLIC HEARING – Consideration by the Town Council to approve a resolution allowing the Mayor to sign the MIDA inter-local agreement as proposed by the Planning Commission
7. CONTINUATION OF PUBLIC HEARING – Consideration by the Town Council to approve the Annexation Policy Plan as proposed by the Planning Commission
8. DISCUSSION and possible authorization for the Mayor to approve the UIA (Utopia) high speed internet service agreement – Internet Committee
9. PUBLIC INPUT – Floor Open for Any Attendee to Speak
10. ADJOURNMENT

Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the Mayor or Town Clerk at 435-659-4739 at least 24 hours prior to the meeting.
--

**HIDEOUT TOWN COUNCIL**

10860 N. Hideout Trail

Hideout, UT 84036

Phone: 435-659-4739

Posted 8/15/19

# **Agenda Item #3**

1                   **Town of Hideout Town Council Meeting Minutes**  
2                   **10860 North Hideout Trail**  
3                   **Hideout, Utah**  
4                   **March 19, 2019**

5  
6 **Present:** Mayor Phil Rubin  
7 Chris Baier  
8 Hanz Johansson (via telephone)  
9 Kurt Shadle

10  
11 **Others:** Lynette Hallam, Town Clerk  
12 Dan Dansie, Town Attorney (via telephone)  
13 Jerry Dwinell  
14 Mike Stewart

15  
16 **Absent:** Dean Heavrin  
17 Jim Wahl  
18

19  
20 **1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

21  
22 Mayor Phil Rubin called the meeting of the Town Council of the Town of Hideout to order at  
23 6:00 p.m. and led the Pledge of Allegiance.  
24

25  
26 **2. ROLL CALL**

27  
28 All members of the Town Council were present with the exception of Dean Heavrin and Jim Wahl,  
29 who were absent.  
30

31  
32 **3. PUBLIC HEARING – Consideration and Possible Approval of Final Plan for Deer**  
33 **Springs Subdivision.**

34  
35 Planning Commission Chair, Jerry Dwinell, reported that the Planning Commission forwarded a  
36 conditional recommendation of approval based on receipt of a clean engineering report and the  
37 developer resolving any discrepancies on the report. Chair Dwinell indicated that the Fire District  
38 Report included a request for an additional access road near the pump station. The developer  
39 agreed that without the connection to Jordanelle Parkway by the time of occupancy, an additional  
40 access road will be constructed.

41  
42 The developer/applicant, Nate Brockbank, reported that the Fire Department requires a distance of  
43 1,300 feet for 30 lots. The current distance is 2,100 feet. The property was identified on a site  
44 map displayed. It was noted that an existing road is currently used to access the property and the  
45 developers have been asked to apply road base. It was noted that there were no changes from the  
46 preliminary plat.

1  
2 In response to a question raised, Mr. Brockbank reported that the Planning Commission  
3 recommended construction of a hammerhead at the end of the road rather than a temporary  
4 turnaround, which would be added to the final map. Town Attorney, Dan Dansie, suggested that  
5 if the Council is inclined to grant approval, that a condition be added that it be subject to  
6 finalization of the CC&Rs between the Town and the developer. Provisions will be added to  
7 clarify the Town's rights with respect to enforcement of the CC&Rs and another that specifies that  
8 the CC&Rs cannot be amended as they relate to the provisions that pertain to the Town without  
9 Council approval.

10  
11 Chris Baier reported that she attended the Planning Commission Meeting and commented that  
12 there were many reasons behind the decision to annex the property into the Town. She noted that  
13 it would bring tangible benefits that they look forward to realizing. During the Planning  
14 Commission Meeting, a question was raised with respect to when the parks and trails will go in.  
15 Mr. Brockbank stated that they will be completed with Phase 2. The proposed park location was  
16 identified.

17  
18 Council Member Baier remarked that the trails will benefit both the Town and the development,  
19 and the community has expressed how important they are. Mr. Brockbank stated that with Phase 1  
20 they plan to do the flow trail, which is a dirt trail intended for biking. It will be a downhill trail in  
21 one direction that cannot be used for hiking or pedestrian use.

22  
23 Mr. Brockbank explained that they spent a considerable amount of time with Council Member  
24 Johansson on the flow trail. Council Member Johansson and the Project Engineer walked the site  
25 and laid out the location of the flow trail. He assured the Council that whatever trails are proposed  
26 as part of Phase 1 will be installed, however, the entire trail system will not be completed as part  
27 of Phase 1.

28  
29 The proposed trails, the associated phases, and connectivity issues were discussed. Chris Baier  
30 was interested in the lower trail along Highway 248 that connects the rail trail to Jordanelle  
31 Parkway. Mr. Brockbank stated that he may be able to commit to a soft surface trail. The  
32 determination was made that it be grated and asphalted as part of Phase 2.

33  
34 Hanz Johansson joined the meeting in person.

35  
36 Chris Baier asked Mr. Brockbank about the dog park and why it would not be completed with  
37 Phase 1. Mr. Brockbank explained that the MDA specifies that it is to be completed as part of  
38 Phase 2.

39  
40 It was noted that the plan was provided to the Town's new engineering firm. Mr. Brockbank stated  
41 that with respect to timing, they expect to begin work within one month. Epic Engineering was  
42 originally asked to perform the work but declined given that they were not chosen as the  
43 engineering partner for the project. Approval would be contingent upon meeting all the  
44 requirements. Mr. Brockbank did not foresee any issues.

1 Chris Baier asked about the timing of the lower dirt trail. Mr. Brockbank expected to complete it  
2 this summer, construct the single-family lots immediately, and finish the townhomes to Jordanelle  
3 this year. It was expected to take five months to construct the park. Jordanelle Parkway was  
4 scheduled to be finished by September 1.

5  
6 Mr. Brockbank reported that at the Legislature two underpasses under Highway 40 were approved  
7 and funded. The one going to the parking lot is 105 feet wide with a truck trail. There are also  
8 two hiking trails planned. \$11 million was requested for the project and \$10 million was received.  
9 The details of additional future improvements were discussed.

10  
11 Chris Baier was pleased to see the development progress as quickly as possible. It was determined  
12 to be in the best interest of all involved to minimize the amount and duration of disturbed lands.

13  
14 Mr. Brockbank reported that they are working with the State Park to connect their trail system with  
15 the State Park trail system. His understanding was that they must build it and maintain 200 feet  
16 that will connect to the State Park.

17  
18 Hanz Johansson explained that there was a proposal to have two trails run from Sky Ridge  
19 through Jordanelle Parkway to the perimeter trail. One of the trails will end on what is referred to  
20 as the beach area. Council Member Johansson disclosed that his company submitted a bid to  
21 construct one of the trails. Details of the proposed trail were described and identified on a map  
22 displayed. Chris Baier remarked that it will be beneficial to partner with the State Park.

23  
24 Mr. Brockbank briefed the Council on the status of the sale of the project and reported that the  
25 Larry Miller Group has the property under contract and plan to meet with the mayor the following  
26 week. If the sale is not completed this year, some components may have to wait until next year.  
27 Regardless, the building will be finished this year. Mr. Brockbank explained that his group will  
28 build the roads and infrastructure. Council Member Shadle asked about the timing of the project  
29 if the negotiations with the purchaser fall through. Mr. Brockbank stated that those details could  
30 be discussed at a future time.

31  
32 Kurt Shadle commented that the request had been reviewed at the Planning Commission level for  
33 a long time. He was pleased that the Town has set a high standard for how a town and developer  
34 should interact. He hoped that future and current developers will follow suit. He expressed his  
35 support for the project. Mr. Brockbank reported that he has two more projects that will be coming  
36 forward.

37  
38 Mayor Rubin opened the public hearing.

39  
40 Jerry Dwinell commented on the death last year of Doug Egerton and suggested the park be named  
41 after him. Support was expressed by the Council.

42  
43 There were no further public comments. The public hearing was closed.

44  
45 **Kurt Shadle moved to approve the Final Plat for the Deer Springs Subdivision subject to the**  
46 **following:**

1  
2 **Conditions:**

- 3  
4 1. **Resolving the issues of the CC&Rs as described by the Town Attorney.**  
5  
6 2. **Compliance with all Planning Commission conditions imposed and agreed to**  
7 **by the developer consisting of the following:**  
8  
9 i. **Engineering review and approval.**  
10  
11 ii. **Construction of a hammerhead at the end of the Shoreline Secondary**  
12 **Access Road coming up from the sewer lift station or connecting to**  
13 **Jordanelle Parkway prior to occupancy.**  
14  
15 iii. **Phase 1 shall include completion of the flow trail.**  
16  
17 iv. **A 10-foot asphalt trail shall be completed to the end of Phase 1 after**  
18 **which it becomes a graded dirt trail along Highway 248 to Jordanelle**  
19 **Parkway.**  
20

21 **The motion was seconded by Hanz Johansson. Vote on motion: Kurt Shadle-Aye, Chris**  
22 **Baier-Aye, Hanz Johansson-Aye. The motion passed unanimously.**  
23

- 24  
25 4. **PUBLIC HEARING – Consideration and Possible Approval of Petitions filed by**  
26 **Mountain Resort Land Company for 1) A Plat Amendment to Combine Six Lots into**  
27 **Three New Lots, Eliminate and Vacate One Lot from the Plat and add an Easement**  
28 **for a Storm Drain Pipe, and 2) a Plat Amendment to Combine Six Lots into Four New**  
29 **Lots, Eliminate and Vacate Two Lots from the Plat and Vacate part of the Public**  
30 **Road at the end of Fox Hollow Court (and Dedicate a new Cul-de-sac. These Changes**  
31 **are in the Soaring Hawk Subdivision.**  
32

33 Kurt Shadle made a point of order and stated that the matter did not go through the Planning  
34 Commission as required by the ordinance. He recommended it be tabled to a future meeting.  
35

36 Town Attorney, Dan Dansie, explained that the practice of the Town has been for the Council to  
37 review these types of issues without requiring them to go through the Planning Commission, which  
38 is consistent with the State statute that addresses amendments to a subdivision plat. The State  
39 statute requires that initial plats go through the Planning Commission but does not require the same  
40 for plat amendments. In addition, one inconsistency with the Code is that Titles 10 and 11 contain  
41 some overlap and it was unclear whether a full set of hearings and processes are required. It made  
42 sense to him to interpret it as referring to the application process provided for under Title 10 since  
43 otherwise, a subdivision or plat amendment would result in a preliminary and final amendment.  
44 That did not seem to be the intent of Title 11. His opinion was that the Council can move ahead  
45 with the application based on that provision in Title 10.  
46

1 Chris Baier asked when the materials were received from the applicants. Mr. Dansie estimated  
2 that it had been three weeks since they were submitted and was well within the timeline. Hanz  
3 Johansson recalled seeing similar requests in the past.

4  
5 Kurt Shadle commented that the intent would be to get the Town to follow its ordinances. He  
6 referred to Title 10.03.403(2) and stated that the procedure for amending or altering a subdivision  
7 plat is the same as for approval of a new subdivision. He commented that the Planning  
8 Commission spends a great deal of time reviewing requests and their input and advice is valuable.  
9 He was confused by the controversy.

10  
11 Chris Baier remarked that just because the Council has taken action in the past that may not have  
12 followed the Code as written, does not mean they should not stop that bad behavior and follow the  
13 Code as written. Council Member Shadle recommended the Planning Commission be tasked with  
14 fleshing out the issues. He saw no reason to bypass the Planning Commission and believed that  
15 doing so sets a bad precedent.

16  
17 In response to a question raised, Mr. Dansie explained that the notice provisions would need to go  
18 out to residents in the event they plan to modify a substantive provision of the land use ordinance.  
19 The statute is prone to ambiguity and, therefore, a very permissible reading of that section applies  
20 to the application provisions of Chapter 3 of Title 10. If it is the desire of the Council to interpret  
21 that, it is to apply to Title 11 as well and determine whether to require a preliminary and final  
22 review of a subdivision amendment or have the Planning Commission review it. Under State law,  
23 there is no provision for Planning Commission review.

24  
25 Kurt Shadle explained that the issue involves not only the interpretation of the statute but a  
26 procedure and advice. He stressed the importance of getting recommendations from the Planning  
27 Commission. Mr. Dansie stated that for the applicable standards under State law there must be a  
28 finding that good cause exists for the amendment to the plat and that the public and no person will  
29 be harmed. That could be determined in many different ways. In the past, they relied on an  
30 engineer to do much of that research.

31  
32 Mr. Dansie reported that the Council could move forward tonight and require the full participation  
33 of the Planning Commission, which he considered to be a more ambiguous interpretation than the  
34 one he was advocating. If the Council specifies that it goes back to the Planning Commission, a  
35 determination should be made with regard to the appropriate scope of the review. In the past, in  
36 similar situations, they determined that the request can benefit the community. They can also hear  
37 from the applicant. Based on the presentation, if there appears to be good cause, they can move  
38 forward with approval contingent upon receipt of a statement from the Town's Engineer that there  
39 is good cause and the public and no person will be harmed as a result of the vacation of the  
40 easements.

41  
42 Kurt Shadle commented that there has been very little vetting done and the Council Members are  
43 seeing most of the documents for the first time. He indicated that he would vote against the request  
44 tonight if a motion is put forward.

1 Hanz Johansson suggested the Council consider the request for future plat amendments. If no one  
2 is harmed, he considered the issue to fairly minor and based on input from the engineer. He saw  
3 no drawback to proposing larger lots.

4  
5 Chris Baier stated that a line must be drawn at which point they will stop allowing requests the  
6 Council is not prepared for. Given that the applicant was present tonight, she was interested in  
7 learning more about the details of the request.

8  
9 Mike Johnston was present on behalf of the applicant. He agreed that it was important for the  
10 Council to understand the request. It was determined that the public hearing, which was properly  
11 noticed, could be conducted. It was noted that all of the properties are owned by Mountain Land  
12 Resort Company. Mr. Johnston stated that from their perspective the request is for simple lot line  
13 adjustments. For various reasons, property owners wish to combine lots and create more space  
14 between them and their neighbors. In this case, the developer is making the request because the  
15 lots as previously platted are extremely difficult to build on. In the process of constructing the  
16 road, the developer would like to combine the lots so that they become buildable.

17  
18 The location of the property was identified on a map displayed. Mr. Johnston noted that in other  
19 jurisdictions in Wasatch County, staff reviews these types of requests and if there is a complaint,  
20 the matter is sent on to the Planning Commission for review. Typically, there are no issues with  
21 lots being combined. A public hearing is required because they are vacating the public utility  
22 easements that are placed on every lot line.

23  
24 Chris Baier inquired about the trail at the rear of the site. Mr. Johnston indicated that the plat does  
25 not show a trail. Council Member Baier reported that a trail is identified on a trail map that was  
26 provided by the HOA. Hanz Johansson stated that the trail can be conditional. Council Member  
27 Baier preferred to have someone present from the HOA who will confirm that the proposed change  
28 to the end of Fox Hollow will not adversely affect the promised trail.

29  
30 Mr. Dansie stated that the grounds for approving this type of plat amendment are that there is good  
31 cause and that the public and no person will be negatively impacted. To the extent that the Council  
32 believes there is an existing or impacted trail that would serve as a benefit to the community at  
33 large, that would be an appropriate condition to impose. If the trails are not shown on the plat, he  
34 asked what the basis would be for establishing them and the parameters.

35  
36 Mayor Rubin noted that the HOA proposed a future trail network that includes a tie into the upper  
37 portions of the space. There is high-level trail that will cut in up above, has been roughed in, and  
38 has been shown to the public. Mr. Dansie described two scenarios where the trail system is on  
39 privately owned property and the developer could potentially change his mind about constructing  
40 them. The other involved the trails as part of a previous approval. He suggested that the facts be  
41 determined before proceeding. Procedural issues were discussed.

42  
43 Chris Baier wanted surety in terms of what it will look like and the overall impact on the  
44 community. Mr. Dansie suggested that clarity be provided with respect to what is expected of the  
45 developer. Kurt Shadle's preference was to not go through both preliminary and final and instead  
46 pursue one combined process.



1  
2 Mr. Dansie reported that in the past there were instances where preliminary and final approvals  
3 were combined. With respect to a subdivision, if the applicant can demonstrate that they meet all  
4 of the criteria for final approval, they have agreed to combine the process. Title 11 sets forth the  
5 standards, which have already been approved and vetted. If this is the route the Council decides  
6 to go, they should empower the Planning Commission to recommend final approval on the first  
7 review. Procedural issues were discussed. It was noted that the Town recently adopted a new  
8 General Plan. The Mayor recommended the Council review the entire scope of the subdivision.

9  
10 A question was raised as to whether when the request goes to the Planning Commission for the lot  
11 line adjustment if they can review the entire scope of the subdivision and determine whether it  
12 meets the Town's Codes. Mr. Dansie explained that the statute only allows consideration of  
13 whether by virtue of the proposed amendment, there is good cause for approval and if a person  
14 would be harmed. He considered it a much more limited scope than to review the entire  
15 subdivision. He commented that the scope of review exceeds the scope of the adjustment. Mike  
16 Stewart remarked that he would support an approval with conditions tonight.

17  
18 Mayor Rubin opened the public hearing.

19  
20 Jerry Dwinell agreed with the interpretation that what is proposed is an amendment to a final plat  
21 so having one review by the Planning Commission seemed to make sense. He also suggested the  
22 Council reconsider the impact the request may have on the approved final scope.

23  
24 There were no further public comments. The public hearing was closed.

25  
26 Mayor Rubin recommended that the matter be tabled to allow for Planning Commission and  
27 Engineering review before moving forward with approval.

28  
29 **Kurt Shadle moved to table the matter to allow for Planning Commission and Engineering**  
30 **review prior to consideration of approval. The motion was seconded by Chris Baier. Vote**  
31 **on motion: Kurt Shadle-Aye, Chris Baier-Aye, Hanz Johansson-Aye. The motion passed**  
32 **unanimously.**

33  
34  
35 **5. ADJOURNMENT OF PUBLIC MEETING**

36  
37 Scheduling issues were discussed. Council Member Baier reported that she sent an email to the  
38 Council Members prior to tonight's meeting in an effort to schedule a joint meeting with the  
39 Planning Commission. She had not yet received a response from the Mayor or Mr. Dansie. After  
40 discussing dates and availability, an informational meeting was scheduled for Thursday, April 4  
41 from 6:00 p.m. to 7:00 p.m. The intent was to discuss the standards and pros and cons of the Town  
42 imposing a temporary land use restriction. A 24-hour notice would need to be given of the  
43 meeting.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12

**Kurt Shadle moved to adjourn. The motion was seconded by Chris Baier. Vote on motion: Kurt Shadle-Aye, Chris Baier-Aye, Hanz Johansson-Aye. The motion passed unanimously.**

The Town Council Meeting adjourned at 7:38 p.m.

---

Lynette Hallam, Town Clerk

DRAFT

1                                   **Town of Hideout Town Council Meeting Minutes**  
2                                   **10860 North Hideout Trail**  
3                                   **Hideout, Utah**  
4                                   **May 9, 2019**

5  
6 **Present:** Mayor Phil Rubin  
7 Chris Baier  
8 Kurt Shadle  
9 Dean Heavrin (via telephone)

10  
11 **Others:** Jan McCosh, Town Administrator  
12 Mark Anderson  
13 Bill Bartlett  
14 Jerry Dwinell  
15 Vytas Rupinkas  
16 Jeremy McAllister  
17 Richard Lafayette  
18 Juan Lee  
19 Shaylee Phelps  
20 Will Pratt  
21 Dennis Vanden Akker  
22 Paul Watson  
23 Paul Ziegler

24  
25 **Absent:** Hanz Johansson  
26 Jim Wahl

27  
28 **1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

29  
30 Mayor Phil Rubin called the meeting of the Town Council of the Town of Hideout to order at  
31 approximately 6:00 p.m.

32  
33 **2. ROLL CALL**

34  
35 All members of the Town Council were present with the exception of Hanz Johansson and Jim  
36 Wahl, who were absent.

37  
38 **3. MINUTES – Consideration and Approval of Minutes for Special Meeting of**  
39 **March 19, 2019.**

40  
41 **4. INFORMATION AND APPROVAL ITEM – Bookmobile at Todd Hollow**  
42 **Apartments.**

43  
44 Shaylee Phelps, Summit County Library’s Outreach Services Librarian, was present to invite  
45 Hideout to participate in the summer bookmobile program that the Summit County Library has  
46 provided in previous years. She presented statistics from the previous year. Ms. Phelps reported

1 that their first year approximately 25 children participated with each checking out seven to 10  
2 books. Their first year was a success and the bookmobile parked in Town for two hours once each  
3 week during the summer months. This year the hours were being adjusted to accommodate the  
4 working hours of parents. It was scheduled to be in Town on Thursdays from 3:30 p.m. to  
5 5:30 p.m. The cost to the Town was \$75 for a two-hour visit or \$525 for the summer.  
6

7 Chris Baier stated that it is a great program that gives children in the community opportunities,  
8 something to look forward to on Thursday afternoons and costs the citizens nothing. The  
9 bookmobile also parks in an area of the Town where they want to encourage reading. The  
10 consensus of the Council was to enter into an agreement and pursue the program. The service was  
11 to be advertised on the Town's webpage.  
12

13 **5. PUBLIC HEARING – Discussion and Possible Approval of a Zoning Change Petition**  
14 **for Plumb Properties (Tax Parcel ID 20-9604) from Mountain to Residential Single-**  
15 **Family.**  
16

17 Planning Commission Chair, Jerry Dwinell reported that the applicants appeared before the  
18 Planning Commission on February 21 requesting a zone change from Mountain to Single-Family.  
19 He explained that the Town is not obligated to grant a zone change, which is at the discretion of  
20 the Council. The first step was to obtain Planning Commission approval. He noted that there are  
21 specific reasons the Town could grant the proposed zone change. There had been significant  
22 changes in the surrounding property that would lend to it being rezoned. The four-acre Plumb  
23 property is located at the end of Longview and Silver Sky. All of the surrounding property has  
24 been rezoned primarily to Resort Village Medium Density while Silver Sky is zoned Single-  
25 Family. Previously the property had been an island of Mountain Zone surrounded by much more  
26 densely zoned areas. Primarily for that reason, the Planning Commission recommended approval  
27 of the zone change. There were, however, a couple of caveats.  
28

29 The first was to limit the building height to 35 feet. It was noted that the Single-Family Zone  
30 allows for a maximum height of 38 feet. In addition, the current zoning for single-family allows  
31 for a much higher Equivalent Residential Unit (“ERU”) and sets the density. The desire was to  
32 restrict the number of lots to four. In the interim, the property owners entered into a deed restriction  
33 that has been delivered to the Town. It limits the building height to 35 feet and restricts the number  
34 of lots to four. To Chair Dwinell's knowledge, the Town has received the appropriate deed  
35 restrictions to enforce the conditions proposed by the Planning Commission.  
36

37 Chair Dwinell explained that the parcel is just under four acres and not all of it is usable. A total  
38 of four lots were proposed with one ERU. He noted that there will be more open space and less  
39 density than Silver Sky currently has and significantly more than the surrounding development.  
40 The property was identified on a site map displayed. The intention was to bring the road down to  
41 a cul-de-sac with four driveways off the cul-de-sac to serve the four lots. It was noted that what  
42 is being considered is a zone change petition. At this stage, no other decisions were being made.  
43

44 Project Engineer, Paul Watson reported that they have been working with staff and agreed to the  
45 conditions imposed by the Planning Commission. The intent was to add four lots and limit the  
46 height to 35 feet.

1  
2 Chris Baier suggested a way found for people and bikes to gain access there and continue on to  
3 the park or other parts of the neighborhood. She asked if they would be willing to provide an  
4 easement so that the property is not a dead end. It was also requested that a fire access be provided.  
5

6 Mayor Rubin opened the public hearing.  
7

8 Will Hector was present on behalf of the Community Preservation Association. He reported that  
9 he spoke to HOA Attorney Melissa Davidson earlier in the day who indicated that regardless of  
10 whether the zone change is approved, it will fall under the Master Development Agreement. He  
11 reported that the property was purchased in 2012 from a bank. He indicated their willingness to  
12 work with the HOA.  
13

14 There were no further public comments. The public hearing was closed.  
15

16 **Kurt Shadle moved to approve a zone change from Mountain to Single-Family for Plumb**  
17 **Properties contingent on the deed restrictions as outlined by the Planning Commission. The**  
18 **motion was seconded by Chris Baier. Vote on motion: Kurt Shadle-Aye, Chris Baier-Aye,**  
19 **Dean Heavrin-Aye. The motion passed unanimously.**  
20

21 **6. PUBLIC HEARING – Snow Placement Ordinance.**  
22

23 Consideration of this Ordinance was postponed due to the significant volume of business on  
24 tonight's agenda.  
25

26 **7. DECISION ITEM – Discussion and Possible Approval of Tentative Budget for Fiscal**  
27 **Year 2018-2019.**  
28

29 Mayor Rubin reported that the fiscal year in the State of Utah is from July 1 to June 30. A team  
30 has been working on the budget for fiscal year 2019/2020. The tentative budget would be  
31 presented tonight with the Council potentially voting on it.  
32

33 Kurt Shadle stated that tonight's discussion pertains to the tentative budget, which by State law is  
34 required to be introduced and adopted at the first meeting in May. The Mayor established a committee  
35 to look at the budget consisting of himself, Town Administrator Jan McCosh, and Vytas Rupinkas. They  
36 were also assisted by Jacob Hargue, the Town of Vineyard's City Manager, who is serving as a consultant  
37 to the Town. Council Member Shadle remarked that Vineyard is a small town that is growing rapidly.  
38 Vineyard's Town Administrator has gone through what Hideout will likely experience. Town Accountant,  
39 Brian Blazzard was also involved in the process. The committee's objective was to approve a tentative  
40 2020 final budget, which must take place by June 22.

41  
42 Council Member Shadle reported that the Town's current tax rate is .000437 which is by far the  
43 lowest rate in Wasatch County. Comparable nearby towns such as Heber pay .0001142, which is  
44 three times as much. Midway's rate is double what Hideout's is and the rate in Francis and Kamas  
45 are four times higher. It was noted that all of the towns mentioned have commercial revenue while  
46 Hideout has almost none. In addition, current tax and water use delinquencies place a significant

1 strain on the Town. It was reported that Wasatch County has a population of 32,000 while Hideout  
2 has 1,200, yet Hideout represents 20% of all of the tax delinquencies in Wasatch County. In  
3 addition, delinquencies on water charges, reserves, and standby charges are very high.

4  
5 Council Member Shadle identified another major challenge that came to light during a recent  
6 meeting with Jordanelle Special Service District (“JSSD”), the Town’s water provider, who  
7 indicated that effective July 1, their water rates will increase from \$7.50 per acre-foot to \$16.65,  
8 which represents a 122% increase. That increase will have to be addressed in this budget. It was  
9 noted that on May 14, JSSD will be holding a public hearing to take input on the tax increase.

10  
11 Council Member Shadle reported that the Town has roads that are deteriorating. The Mayor  
12 authorized a study be conducted by Epic Engineering to examine the roads. It was determined that  
13 approximately 20% of all Town roads are classified as being critically in need of repair or poor  
14 condition. It was reported that recently more on-site inspections were performed. Borings were  
15 also authorized to check the underlaying roadbed.

16  
17 Kurt Shadle indicated that in addition to deteriorating roads, the Town is growing rapidly. This  
18 year they anticipate issuing 75 new building permits, which is a significant increase. This  
19 represents a 50% increase in the number of permits pulled fiscal year 2018/2019 compared to  
20 2019/2020. There are traffic, road, and debris issues that need to be addressed as well as the  
21 monitoring of construction violations.

22  
23 Council Member Shadle stated that as the Town grows, they need to expand the skillset of Town  
24 staff, be more technologically adept, and look for ways to overcome anticipated problems going  
25 forward. Council Member Shadle remarked that so far, they have not been able to attract the  
26 necessary talent in staff. Current and previous budgets did not include the revenue necessary to  
27 offer potential candidates competitive salaries or benefits.

28  
29 With regard to public safety, given the Town’s expanding population and increased traffic, the  
30 lack of a police presence was troubling. If there is a major emergency, the Wasatch County Sheriff  
31 will respond, however, there is currently very little police presence in Town. In addition, there are  
32 significant safety hazards associated with Highway 248 and the unregulated speeds along that  
33 highway.

34  
35 It was reported that there is work to do with respect to underground services and water and sewer  
36 have not been maintained at ideal levels. They scoped the first section of sewer last year and have  
37 more to do. They identified deformities in the piping and sinking that needs to be addressed.

38  
39 Kurt Shadle reviewed the Tentative Budget outlined by the committee. Currently, property tax  
40 revenues year-to-date are \$50,000. They are preliminarily estimating that property taxes will be  
41 the last figure calculated by the Budget Committee depending on how the expenses end up. The  
42 estimated 2019-2020 property tax figure is currently budgeted at \$117,000, which is a significant  
43 increase.

44  
45 Sales taxes come from the State and are a function of the population and will increase as the Town  
46 grows. The major revenue growth portion of the budget will come from building permits.

1 Currently, \$394,000 in revenue from building permits was estimated in the coming year's budget.  
2 The Committee is still examining whether the fees on building permits are appropriate and will  
3 look at it in closer detail.  
4

5 Another significant area is Class C Road Allotments, which also comes from the State and is a  
6 function of the number of miles of road. As more roads are dedicated to the Town, that revenue  
7 will increase. The significant budget item is the amount to be appropriated from reserve fund to  
8 supplement this coming year's budget. Further discussion will occur to follow up on why that is  
9 appropriate and how it is to be used.  
10

11 Town Administrator, Jan McCosh presented expenses and how the issues outlined can be  
12 addressed. She reported that the biggest expenditures are primarily the deferred maintenance on  
13 roads and infrastructure. There are also engineering costs that need to be increased in preparing  
14 for future growth. Over \$120,000 in engineering fees are necessary to bring the Town up to date  
15 in mapping and other projects. Administrative costs were also identified as a significant change  
16 from last year's budget. To hire the quality staff we need, it is necessary to increase salaries and  
17 provide benefits. Currently, the Town is severely understaffed. From its inception, the Town has  
18 been staffed with two part-time employees who were responsible for almost all of the day-to-day  
19 transactions, including all billing, permitting and records management. For a long period of time  
20 the Town had only one part-time person, creating some billing deficiencies. Unfortunately, this  
21 understaffing resulted in inadequate reporting and accounting challenges dating back 10 years.  
22 The two-person approach also resulted in a disruption in continuity and confusion creating errors  
23 and inefficiency. Ms. McCosh reported that municipal professionals, Jacob McHargue and Mark  
24 Anderson have been hired to help address needs going forward, including the budgeting process  
25 and other financial issues. McHargue has assisted us with budgeting for proper staffing. Both  
26 Anderson and McHargue have been very helpful and funds in the budget will allow future  
27 consulting with these professionals to assist with growth issues.  
28

29 There are funds in the budget for potential increased police protection. The mayor is working on  
30 a plan for a police officer or contracted services from the Wasatch Sheriff's department. Increased  
31 legal expenses were also anticipated to deal with a number of legal issues the Town is expected to  
32 face.  
33

34 It was reported that the Water Fund rates need to be increased to cover the cost increase that will  
35 be passed on to the Town by JSSD. Expenses in the water fund are much higher because of some  
36 appropriate reallocations of expenses to the water fund currently reported in the general fund. We  
37 have funds in the budget for a reconciliation because we have identified that billing has not been  
38 done, in some instances, for over two years. The Town will be doing some back-billing, including  
39 an over-due water-reservation fees billing that should go out next week.  
40

41 Council Member Shadle thanked Vytas Rupinskas for his significant time and efforts over the past  
42 six weeks on the Budget Committee and that this budget would not have been possible without his  
43 hard work. He noted that the tax rate puts them on par with other municipalities in the community.  
44 Funds will need to be transferred out of the Road Fund and used to improve the most critical roads.  
45 It was noted that they were just more than doubling the budget to address the outstanding issues.  
46 The funding will be made up from a tax increase, utilization of Road Funds, building permits, and

1 collecting past due receivables. It was noted that if delinquent property taxes are collected, it will  
2 equal what they are currently receiving for a total of one year's worth of property taxes.

3  
4 Chris Baier agreed with the direction the budget was going and stated that residents want the roads  
5 to be repaired and the infrastructure maintained. She recommended they hire at the optimal level.  
6 She supported providing health benefits for employees as well and understood that that is how to  
7 attract and retain good staff going forward.

8  
9 Mayor Rubin opened the public hearing.

10  
11 Jerry Dwinell referenced a comment about the Town acquiring property and asked if there was a  
12 fund in the budget that would allow for that. The Mayor stated that there was not and it would  
13 have to be a separate effort once a plan is in place. If there is land to be acquired, the Council  
14 would have to pursue it separately. Mr. Dwinell suggested that a separate line item be added to  
15 the budget that would allow that to be funded.

16  
17 There were no further public comments. The public hearing was closed.

18  
19 **Kurt Shadle moved to accept the preliminary budget as listed on the spreadsheets that will**  
20 **be attached to the motion. The motion was seconded by Chris Baier. Vote on motion: Kurt**  
21 **Shadle-Aye, Chris Baier-Aye, Dean Heavrin-Aye. The motion passed unanimously.**

22  
23 **8. DISCUSSION ITEM - MIDA Review.**

24  
25 Susan Becker from Zions Public Finance reported that they were engaged by the Mayor at the  
26 behest of the Council to conduct research and validate the MIDA numbers. The Mayor indicated  
27 that the work was done by Zions as an independent consultant for the Town. Ms. Becker  
28 introduced herself and described some of the services Zions provides.

29  
30 Ms. Becker gave a slide presentation and described the assumptions provided by the developer  
31 regarding the number of residential units and three separate developments. In all, 462 residential  
32 units were proposed. The fiscal impacts were compared to property tax revenues that will be  
33 collected. The townhomes will range in price from \$680,000 to \$745,000 while single-family  
34 homes will be priced at \$650,000 to \$900,000. In terms of property tax revenue, market value  
35 must be converted to taxable value. Primary homes only pay the tax rate on 55% of their value.  
36 As a result, it is important to distinguish how many second homes there will be since the second  
37 homes will pay property tax at the full taxable value. The school district benefits because they  
38 receive full property taxes paid but no school children because they are second homes.

39  
40 The 20% discount in the valuation is based on the numbers provided by MIDA. It was noted that  
41 the Assessor's valuation for tax purposes is often lower than the average amount the developer  
42 receives. For that reason, they were discounted by 20%.

43  
44 Ms. Becker reported that the biggest revenue source will be property taxes. 75% of the property  
45 taxes paid will go into the Development Fund for a period of 25 years. The Municipal Services  
46 Revenue Fund will receive 25% of the taxes paid on the Hideout rate only. MIDA will take out



1 10% for administration from the Municipal Services Revenue Fund for administration. The  
2 remaining 90% can be used to provide municipal services to that area. From the Development  
3 Fund, 75% of the property taxes will be taken with MIDA taking 10%. The remaining 90% will  
4 be divided between the landowner and Utopia Hideout.

5  
6 The landowner receives 30% to use for infrastructure in the area. The remaining 70% is first to be  
7 used as a backstop for the financing of the installation of Utopia fiber in the project area and within  
8 the boundaries of Hideout. This may include pledging 70% as collateral for bonds issued. Any  
9 funds not needed to pay for any shortfall in the financing payments for the fiber installation will  
10 be divided equally between MIDA and the Town to be used within the project area as determined  
11 by each.

12  
13 It was clarified that the understanding is that it will become a pledge to backstop the bond that will  
14 be needed until the end of the bond's term and they receive the full 70% split. The comment was  
15 made that certainly, within 25 years, there will be 200 users. Ms. Becker suggested that an attorney  
16 look at it closely.

17  
18 Ms. Becker referred to the Municipal Services Fund and the Development Fund. Based on the  
19 agreement, there are four revenue sources that can go into the Municipal Services Fund. Three  
20 were highlighted in red. With regard to property taxes, they will have 25% of Hideout's portion  
21 going there. The Municipal Energy and Franchise taxes will go into the Municipal Services Fund.  
22 The Telecommunications Tax had not yet been enacted and was not included in the numbers but  
23 was shown in red because it is under the control of the Town. Ms. Becker next referenced the  
24 Development Fund and explained that the Town will receive property taxes at 75% as mentioned.  
25 They can legally collect sales taxes at the point of sale only; however, since no retail is currently  
26 projected, they will not receive that or Resort taxes.

27  
28 A summary was presented with numbers similar to will be received from MIDA. In the  
29 Development Fund, revenue will only be received from one source, which leaves approximately  
30 \$37 million. In the Municipal Services Fund, they will receive property tax revenues and  
31 municipal energy. This is from the taxable portion of the electric and gas bills over a 25-year  
32 period. Of this, 6% will come back to the Town. MIDA will take 10% leaving the Town with  
33 about \$1.45 million over 25 years.

34  
35 Hideout's General Fund was next addressed. Ms. Becker reported that in the State of Utah sales  
36 taxes are distributed based on point of sale and population. Last year, that equated to about \$95  
37 per capita. Based on the primary residential units going in, they used an average household size  
38 of 3.3 and calculated the resulting sales tax revenue over 25 years. She pointed out that some of  
39 the revenues will not materialize until one year after construction is completed. Once revenues  
40 begin to flow they will continue over a 25-year period.

41  
42 Class B and C Road revenues also have a population distribution and a weighted road mile  
43 component. The Town, however, must own the roads. According to the developer, there will be  
44 approximately 3.4 miles of roads with \$600 paid for every weighted road mile.

1 The figures were broken down into more detail. In the Municipal Services Fund, the two sources  
2 of revenue were identified as property tax and municipal energy. Ms. Becker noted that this  
3 revenue starts slowly and builds over time. It will be necessary to keep enough in the fund to  
4 provide municipal services for the area.

5  
6 In the Development Fund, there will be a total of \$41 million, once MIDA's 10% is deducted, this  
7 leaves \$37 million. That will then be divided between the landowner and the Utopia Project Area,  
8 which will receive approximately \$26 million. It was noted that the total Utopia bond is only \$1.5  
9 million.

10  
11 Ms. Becker next reviewed the additional revenues and showed how they will grow year by year.  
12 The sales tax per capita distribution was also presented. Class B and C Road Funds were presented  
13 and divided out based on the weighted road mileage and the per capita distribution. This will help  
14 municipal services in the area because they will have an additional \$27,000 in year one where  
15 before they had only \$8,000. It was noted that they are the same B&C Road Funds and sales tax  
16 figures that are already included in the budget for the coming year.

17  
18 Mayor Rubin explained that the MIDA agreement allows for MIDA to collect all of the taxes and  
19 then redistribute some back to the Town over a 25-year period. Ms. Becker summarized the  
20 revenue the Town will receive to determine if it is sufficient. From the Municipal Services  
21 Revenue Fund, the Town will receive \$8,000 the first year and then additional revenues consisting  
22 of the Per Capital Sales and the Road Fund. It was estimated that \$35,000 will be received the  
23 first year to provide additional municipal services. They will then get the benefit of additional  
24 investment in Hideout because all of the other taxing entities will be contributing 75% of their  
25 property tax to the Development Fund over a period of time. From the Development Fund, the  
26 amounts landowners will receive each year were shown starting at \$69,000. That was to put  
27 infrastructure in the City. About \$162,000 will be available that year and divided out over time as  
28 Utopia is paid for. She clarified that the cash and investment that will be put into the Town are  
29 different.

30  
31 Ms. Becker reported on the annual revenues after 25 years. This is anticipated to occur and is in  
32 not in today's dollars because they have included inflationary amounts. It was estimated that the  
33 Town will receive \$338,000. She was asked to delineate the benefits to MIDA, which include  
34 infrastructure investment assistance in the project area, property tax revenue, the school district,  
35 and other taxing entities. It was estimated that there will be \$11.2 million for landowner  
36 infrastructure that will help the area grow. There will also be assistance with utility infrastructure  
37 and better connectivity to the State Park. Potential future revenue will come from the point of sale  
38 and resort community tax if retail goes in. \$4.3 million will also be available in administrative  
39 fees or an average of \$173,000 per year. It was noted that that is average over time.

40  
41 Ms. Becker next described the benefits the other taxing entities will see which include an  
42 accelerated timeframe for the development of property. Property that was formerly in green belt  
43 and not producing revenue will now produce revenue. It has a relatively high taxable value in the  
44 area. Residential properties are good for taxing entities and second homes make tax rates even  
45 higher because they are taxed at their full value. The impacts by project were next described. It  
46 was determined that nearly half of the impact and revenue will come from the Deer Springs project.

1  
2 Chris Baier asked when Deer Waters and Vanden Akker become part of the plan. The last time  
3 the matter was discussed it was just Deer Springs. Mayor Rubin responded that they were to be  
4 included given the fact that they add revenue. The project area is open to including them and they  
5 increase revenue. The Council can make the final determination. They did the math looking at  
6 the outfall opportunity. The downside of excluding them would be to lose municipal revenue that  
7 we would not ordinarily receive. With regard to their ability to control the MIDA area, Mayor  
8 Rubin explained that any restriction such as to light pollution would apply to the area in Hideout  
9 in that MIDA would become the provider of municipal services. He pointed out that the first thing  
10 MIDA would do was sub this service to the Town. Hideout would be the management entity for  
11 the Town's portion of the project.

12  
13 Mayor Rubin thanked Zions Public Finance for their work and specifically Ms. Becker who created  
14 the spreadsheet independent from what MIDA provided and identified areas where the numbers  
15 did not match.

16  
17 Mark Anderson commented that earlier there was a budget discussion about potentially raising  
18 property taxes to increase the revenue stream. Ms. Becker offered to calculate the revenue  
19 generated by increasing the tax rate.

20  
21 **9. DISCUSSION ITEM – UDOT Corridor Agreement Update.**

22  
23 Discussion of this item was postponed due to the significant volume of business on tonight's  
24 agenda.

25  
26  
27 **10. DISCUSSION ITEM – Next Steps Annexation Declaration.**

28  
29 Mayor Rubin reported that the Annexation Declaration was prepared by Chad Eccles and the  
30 Mountainland Association of Governments on behalf of the Town. Possible revisions were  
31 discussed based on the feedback received. The matter was to be included on the next Town  
32 Council meeting agenda.

33  
34 **11. DISCUSSION ITEM – Goals for Public Safety (Police) Officer.**

35  
36 Possible alternatives were discussed. Kurt Shadle did not know which was better and thought  
37 there were advantages to being with the Sheriff's Department and to the Town having its own  
38 officer. He was interested in getting a proposal from Wasatch County. Mayor Rubin remarked  
39 that what he does for Midway is significant at a cost of \$250,000 per year. It was noted that no  
40 other community in Wasatch County has its own Public Safety Officer other than Midway who  
41 contracts with the County. Hideout is the only community, when they were active, that had its  
42 own. The question was whether they want a security guard. The Mayor's original purpose was  
43 presence and enforcement. He clarified that the Town would not take on arraignments or hold  
44 court sessions as we currently do not have the resources or the size to justify it.

1 Chris Baier suggested the Council decide from a public safety and law enforcement perspective  
2 what things they worry about now and anticipate in the near future and decide whether that will be  
3 delivered by an employee of the Town or contracted for through the County. The following issues  
4 were identified:

- 5
- 6 • Speeding;
- 7 • Traffic;
- 8 • Parking;
- 9 • Fireworks;
- 10 • Policing Town Roads; and
- 11 • Hunting.
- 12

13 It was noted that because Highway 248 bisects the Town, there is the potential for a catastrophic  
14 accident to occur. Public safety issues were discussed. It was suggested that Wasatch County be  
15 asked about the availability of traffic feedback signs that could be placed in Town. Other options  
16 were explored. It was mentioned that the new Sheriff has been very receptive and easy to work  
17 with.

18  
19 Chris Baier suggested the Council check in with Cindy Neal from the Deer Mountain Affordable  
20 Apartment Community and whether they want the presence of patrol cars. The Mayor raised that  
21 question with the Sheriff who reported that the call rate has dropped significantly. It was noted  
22 that major safety strides have been made in the affordable apartments at Deer Mountain where  
23 there have been fewer break-ins and domestic disturbance calls. They have also noticed fewer  
24 transients and more people who want to be part of the community. The Mayor agreed to contact  
25 the Sheriff in the coming week.

26  
27 **12. DISCUSSION ITEM – Delinquent Taxes, Delinquent Water Payments.**

28  
29 It was noted that the issue was to be addressed by the Planning Commission at their next meeting.  
30 Kurt Shadle thought the struggle was whether it is internal to their policies and procedures or  
31 requires an ordinance. The Town Attorney was asked to weigh in but had not.

32  
33 **13. DISCUSSION ITEM – Klaim MDA.**

34  
35 Jerry Dwinell reported that Town Attorney, Dan Dansie sent the MDA out about 10 days earlier.  
36 The process was similar to what took place with Deer Springs. What was desired was approval  
37 by the Council indicating that they feel it meets the needs of the Town and authorize the Mayor to  
38 move forward with it. Chris Baier had not had a chance to read it and asked for more time.

39  
40 In response to a question raised about ingress and egress, Mr. Dwinell reported that the Town is  
41 still in negotiations with UDOT to get that clarified. There had been no objection but research is  
42 required because a portion of the road was not cleared and the ownership is in question. He  
43 expected the issue to be resolved within the next 30 days. It was noted that the Klaim project  
44 consists of 88 units with one main entrance and a fire access. The main entrance will go in where  
45 the driveway is shared with the individual home. Further up there is a service road going in that  
46 will be maintained.

1  
2 Dean Heavrin asked if UDOT shows a deceleration lane. Currently, cars are turning straight off  
3 the highway in some areas. Mayor Rubin indicated that that was being considered. The main  
4 traffic issue is not cars coming from Kamas but from the other direction. Turning left into Klaim  
5 will be a challenge and one that UDOT will have to address. The matter was deferred to the next  
6 meeting.

7  
8 **14. CONSIDERATION AND APPROVAL OF BILLS TO BE PAID – Consideration and**  
9 **Possible Approval of Payment of April 2019 Bills.**

10  
11 Bills to be paid were reviewed and discussed. The invoice from Horrocks Engineering was to be  
12 addressed in a separate meeting and pertained to the Impact Fee Study. The \$1,500 invoice  
13 represented the retainer for the services of the Green Space Planning Engineer. There were also  
14 legal bills to be paid. It was noted that some of that cost was to be passed through to the developers.  
15 Ms. McCosh was commended for making sure that the legal bills were reviewed to show what is  
16 recoverable from developers. Going forward that will be an important task for staff.

17  
18 The Enterprise Funds were determined to be primarily the monthly water and sewer bills.

19  
20 In response to a question raised, Mayor Rubin reported that over the past 18 months the Town has  
21 paid approximately \$25,000 to Horrocks Engineering. It was anticipated that the Town will  
22 recover those costs indirectly as part of the handling costs proposed.

23  
24 **Kurt Shadle moved to accept the bills as listed for April and grant approval to pay. The**  
25 **motion was seconded by Dean Heavrin. Vote on motion: Kurt Shadle-Aye, Chris Baier-Aye,**  
26 **Dean Heavrin-Aye. The motion passed unanimously.**

27  
28 **15. PUBLIC INPUT – Floor Open for Any Attendee to Speak.**

29  
30 Paul Ziegler, a Rustler resident, wanted to be an educated participant in the community and asked  
31 the Council to go into more detail and present more charts and graphs. He suggested there be a  
32 good map of the Town, which would be helpful when specific projects are presented. With respect  
33 to police services, he asked if the Town is obligated to contract their services through Wasatch  
34 County. Mayor Rubin stated that they can contract however they choose but Wasatch County  
35 responds to emergencies so they want to maintain a good relationship with them. Other options  
36 were discussed such as contracting with Summit County or Salt Lake County. Mayor Rubin was  
37 in the process of providing an online map of the Town that would be available on the Town's  
38 website.

39  
40 Juan Lee identified himself as the New Director of the Wasatch County Library. The previous day  
41 he spoke with the Director of the Summit County Library who informed him of tonight's meeting.  
42 Mr. Lee expressed his support for Summit County's bookmobile effort and stated that they will  
43 send their Children's Librarian to do programming when the bookmobile is in Town. Their intent  
44 is to reach out to every community in the County. In response to a question raised, Mr. Lee stated  
45 that they only have one facility, which is in Heber. He expressed a desire to work with the Summit  
46 County Library to continue to provide seamless services.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

There were no further public comments.

**16. ADJOURNMENT TO EXECUTIVE SESSION.**

**CLOSED EXECUTIVE SESSION**

**CLOSED EXECUTIVE SESSION – Threatened Legal Actions.**

The Executive Session was tabled.

**17. Open Executive Session.**

**18. Update on Status of Legal Issues.**

**19. Closed Executive Session.**

**Kurt Shadle moved to adjourn. The motion was seconded by Chris Baier. The motion passed with the unanimous consent of the Council.**

The Town Council Meeting adjourned at approximately 8:19 p.m.

---

Lynette Hallam, Town Clerk

1                                   **Town of Hideout Town Council Meeting Minutes**  
2                                   **10860 North Hideout Trail**  
3                                   **Hideout, Utah**  
4                                   **May 23, 2019**

5  
6 **Present:** Mayor Phil Rubin  
7 Chris Baier  
8 Kurt Shadle  
9 Jim Wahl (via telephone)

10  
11 **Others:** Dan Dansie, Town Attorney  
12 Jan McCosh, Town Administrator

13  
14 **Absent:** Hanz Johansson  
15 Dean Heavrin

16  
17 **1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

18  
19 Mayor Phil Rubin called the meeting of the Town Council of the Town of Hideout to order at  
20 approximately 6:10 p.m.

21  
22 **2. ROLL CALL**

23  
24 All members of the Town Council were present with the exception of Hanz Johansson and Dean  
25 Heavrin, who were absent.

26  
27 **3. PUBLIC HEARING – Consideration of Input from the Public, followed by**  
28 **Consideration by the Town Council to Approve the Impact Facilities Plan and**  
29 **Adoption of an Impact Fee Enactment.**

30  
31 Town Attorney, Dan Dansie, reported that for some time the Town has considered adoption of an  
32 Impact Fee Ordinance. He explained that an impact fee is charged in connection with development  
33 of property to help cover costs incurred as part of the construction of system improvements  
34 infrastructure that benefits the community at large. The process formally began more than one  
35 year ago. The Town has worked with an Horrocks Engineers to prepare an Impact Fee Facilities  
36 Plan (“IFFP”), which identifies the applicable system improvements, identifies the cost of the  
37 system improvements, and allocates costs for those improvements to be shared among the various  
38 areas of Town that are yet to be developed. An impact fee is a prospective assessment.  
39 Development that has already occurred is not subject to an impact fee. If adopted, the impact fee  
40 will be assessed by the Town on each individual lot when a permit for development is granted.

41  
42 Mr. Dansie explained that the Council received a draft that has gone through several iterations and  
43 revisions as a result of input and feedback from the Town Council and others. The draft of the  
44 Impact Fees Facilities Plan discusses potential impact fees for four categories of system  
45 improvements consisting of water service facilities, transportation, storm drain facilities, and

1 sewer line and service areas. The IFFP breaks the infrastructure categories into service districts.  
2 He mentioned that all facilities benefit all properties within the Town the same way.

3  
4 Two water service areas were proposed, one transportation area, three storm drain areas, and two  
5 sewer areas were identified in the plan. Those areas and the calculation of the total cost of  
6 infrastructure identify proposed assessments of impact fees that will be assessed at the time of the  
7 development of various properties. A table was prepared that breaks out the various fees by  
8 neighborhood and allocates fees according to category of service.

9  
10 Mr. Dansie explained that under State law, an IFFP is required before a municipality can adopt an  
11 Impact Fee Ordinance. The Town would have to accept, adopt, and ratify the plan before adopting  
12 an Impact Fee Ordinance. The ordinance cannot specify impact fees that are more than what is  
13 identified in the plan.

14  
15 About 10 days earlier the Town published notice of the intent to adopt the IFFP and ordinance on  
16 the Town's website as required by State law. Since then, the Town has received feedback from a  
17 number of constituencies. The Jordanelle Special Services District ("JSSD") sought clarification  
18 that the Council and the public are aware that impact fees the Town charges, if any, and impact  
19 fees that JSSD charges are separate for separate infrastructure and/or separate services.

20  
21 Feedback was also received from developers questioning whether the service districts that were  
22 identified are correct in terms of identifying services provided. The matter was being looked into  
23 in more detail, however, the thought was that some of the services identified as being applicable  
24 are not actually services they receive from the Town and are received directly from JSSD.

25  
26 The Council received a written comment from a landowner who was concerned about the  
27 advisability of adopting an impact fee from a policy perspective. The contention was that lots in  
28 Hideout are currently difficult to market and adopting an impact fee would exacerbate the problem.

29  
30 Mayor Rubin reported that the Town was created nearly 11 years ago and millions of dollars were  
31 spent to create the infrastructure described. That investment needs to be recouped for the long-  
32 term interest of the Town. The Council has worked to determine the actual costs and the purpose  
33 of tonight's hearing was to get clarity on concerns. The Council was of the opinion that the  
34 investment numbers are robust will stand up.

35  
36 Kurt Shadle indicated that he is the newest member of the Council and has had the least amount  
37 of involvement in the process. When the Town was established, there were no roads or  
38 infrastructure and the value of property was significantly lower. He asked if consideration had  
39 been given to how those improvements have benefited the developer in terms of the sale of  
40 properties.

41  
42 Mr. Dansie stated that from a legal perspective, impact fees are unique in that they are governed  
43 tightly by State Statute. A framework governs every part of the impact fee calculation.  
44 Specifically, there is a statutory provision that specifies what can be included in the calculation of  
45 an impact fee. In reviewing the statute, he did not see the incremental increase in property value  
46 from a before and after perspective that may inure to any particular landowner in the Town that is



1 mandated to be included in impact fees. Brent Ventura from Horrocks Engineering commented  
2 that it was never evaluated in this or any other Impact Fee Study he has conducted. To his  
3 knowledge, that is not an allowable piece of information to evaluate.

4  
5 Council Member Shadle referenced District 1 and was of the understanding that it was excluded  
6 from the analysis. There appeared to be a district charge for all taxpayers. Mr. Dansie reported  
7 that he has spoken to the Executive Director of Hideout Local District #1 as well as the attorney  
8 who has done the bonding work. It was his understanding that there is a geographic area that  
9 Hideout Local District #1 comprises. Hideout Local District #1 was described as a creature of  
10 statute. The Legislature indicated that municipalities can authorize local districts that function as  
11 quasi-governmental entities to levy and expend funds for designated purposes. Mr. Dansie  
12 explained that there are areas within Local District #1 that have received benefit from infrastructure  
13 created from the use of bond proceeds. These areas were identified as Soaring Hawk, Golden  
14 Eagle, and Reflection Ridge. He suggested the matter be examined in more detail at the County  
15 level. Council Member Shadle stated that until the questions surrounding District #1 and which  
16 properties should be paying this assessment, the Council should not vote to consider this ordinance.

17  
18 Mayor Rubin commented they were still not clear on what is in District 2. Mr. Dansie was not  
19 aware of a separate entity that would be called Hideout Local District #2. To his knowledge, the  
20 only local district that has been authorized by a vote of the Town is Hideout Local District #1;  
21 however, that entity issued two bonds in 2014 and 2017. Hideout Local District #2 may be the  
22 shorthand that the County Assessor's office is using to make assessments to residents for the  
23 Series 2 bond that was issued.

24  
25 Kurt Shadle thought it was unusual for an analysis to be performed on the cost of infrastructure  
26 since normally, the developer provides the Town with their costs. Mr. Ventura explained that that  
27 is usually not the case and most developers do not keep specific records. Most Capital Facilities  
28 Plan/Impact Fee Analyses are based on current and future cost estimates because it is infrastructure  
29 that has yet to be constructed. This instance is unique in that they are assessing existing  
30 infrastructure. The estimates are based on quantities that are sometimes unmeasurable.

31  
32 Mr. Dansie explained that they have assessed the costs using known measurements. This allows  
33 engineers to establish reasonably known costs. Measurements can be based on as-built drawings  
34 and other data and applied to a calculation. Kurt Shadle asked if it is unusual to impose an impact  
35 fee on infrastructure that is eight or nine years old. Mr. Ventura stated that it is unusual but not  
36 precluded.

37  
38 Chris Baier suggested that maps be included in the study, which is available on the Town's website.  
39 She stated that there have been many discussions about project improvements versus system  
40 improvements. Over time they have accepted certain infrastructure, which benefits everyone. She  
41 had concerns about the local districts but was comfortable proceeding if they know what the local  
42 district fees are. She commended Mr. Ventura for taking the feedback received into account.

43  
44 Kurt Shadle commented that there is confusion at the Town and County level and is a serious issue  
45 that needs to be resolved. Chris Baier remarked that it is customary for future development to help

1 fund excess capacity. Mr. Dansie stated that in addition to the Town, they represent a fair number  
2 of builders. The goal is to ensure that the impact fees are assessed properly.

3  
4 Mr. Ventura stated that the district is not included in the report. Having not done the study, he was  
5 concerned that a piece is not included. Mr. Dansie commented that much of Golden Eagle and  
6 Soaring Hawk was funded by the local district. For that reason, current or proposed infrastructure  
7 is not shown. In addition, when going through the plan, Mr. Ventura identified infrastructure and  
8 costs on the maps. It was noted that not all of the costs identified are qualified to be reimbursed  
9 through impact fees.

10  
11 Jim Wahl commented that it seems that the major dilemma is the district. He suggested that the  
12 issue be resolved before moving forward. Mayor Rubin stated that they also need to identify the  
13 developers who are not using all of the services assigned.

14  
15 Mayor Rubin opened the public hearing.

16  
17 Larry Goldkind, a resident, remarked that it seemed like they were recouping for previous  
18 developments. Mr. Dansie explained that certain infrastructure costs were expended to pay for  
19 system level improvements, which benefit the Town generally or certain service districts. The  
20 cost of the improvements is assessed under the impact fee. Future development will pay for a  
21 portion of that. It was clarified that future permits will pay the impact fee. There will be no fee  
22 charged to existing homeowners. Mr. Goldkind mentioned double dipping and asked what the  
23 precedent is for impact fees to not be assessed at the time of the original development and having  
24 a developer come back years later asking to be reimbursed. He asked how applicable the statutes  
25 are with respect to future and past development.

26  
27 Mr. Dansie responded that it is not an issue that is specifically addressed in the statute. Developers  
28 develop property to make a profit. With respect to infrastructure, developers construct some  
29 infrastructure that is considered a project level improvement that only benefits a certain portion of  
30 the community or their specific project. Developers are expected to bear the cost of that and recoup  
31 the cost. To the extent that infrastructure is categorized properly as a system-level improvement  
32 in that it would benefit more than one specific developer's project, it can be recovered through  
33 impact fees. He was not aware of a prohibition in the statute that does not allow the impact fee to  
34 be assessed later. In the absence of a prohibition, it is allowed.

35  
36 Chris Baier reported that the Town was incorporated in 2008. The Master Development  
37 Agreement ("MDA") was adopted in 2010 and obligates the Town to reimburse the developer  
38 through a vehicle such as impact fees. Mr. Ventura explained that the idea of being reimbursed  
39 for development by future funds is not unique. For that reason, impact fees were created.

40  
41 Jerry Dwinell, a resident and Chairman of the Planning Commission, commented that the Horrocks  
42 study was not free and asked who bore the burden of that cost. He asked if the developer was  
43 sharing a portion of the cost of the study. Mr. Dansie stated that the Town would assess the impact  
44 fee and therefore commissioned the study. Mr. Dwinell asked if it was reasonable for the Town  
45 to expend money to determine how much to reimburse the developer without the developer  
46 contributing something. Mr. Dansie stated that whether it is reasonable is for the Council to

1 determine. It is in the Town's best interest to retain an engineer and conduct its own IFFP to reach  
2 that conclusion. Mayor Rubin commented that the Town has been in discussions for some time  
3 with the master developer who conducted an analysis on their side. Mr. Ventura stated that in their  
4 study they are forecasting what is to come. Their calculations typically include future studies that  
5 are included and allowable.

6  
7 Nate Brockbank identified himself as a developer who is working on a few projects in Hideout.  
8 He was not opposed to impact or permit fees. He asked the Council to allow developers more time  
9 to review the proposed IFFP before making a decision. He reported that he has put in 1,700 feet  
10 of Shoreline Road to access his property and did not expect to be paid back for that. When a  
11 developer puts in infrastructure that is above what is needed for the project, that is a reimbursable  
12 fee. He was not opposed to paying what is fair and is heavily invested in the community.  
13 Mr. Brockbank stated that by the time his development is complete, he will have put in over 5,000  
14 feet of Shoreline Road. He remarked, however, if the other developer is going to be paid back, he  
15 should be as well. He is also putting in over 3,000 feet of water line. Because it is being used by  
16 the development, he did not see why he would get paid back for it.

17  
18 Chris Ensign, developer of the KLAIM project, commented on roads and stated that he cooperates  
19 with neighboring developers. He saw no reason for a reimbursement if the infrastructure installed  
20 is not in excess of what is required for the development. He questioned whether the impact fee is  
21 the best way to get money to the Town. He was in favor of supporting the Town financially but  
22 felt that a permit might go more directly to the Town. Mr. Ensign identified his project on a map  
23 displayed and stated that they are one of the only communities that is not part of an HOA. Road  
24 issues were discussed. It was clarified that all roads were shown on the map and not just the ones  
25 calculated into the impact fee. Mr. Ensign commented that roads were the biggest ticket item. He  
26 pointed out that he and Mr. Brockbank have already paid impact fees to JSSD. He expressed a  
27 desire to conduct a study as well.

28  
29 Jared Fields was present on behalf of Mustang Development, the master developer. With regard  
30 to the local district bond, he stated that anything outside of the assessed areas of Soaring Hawk  
31 and Golden Eagle, the assessment for infrastructure in those areas does not apply. Kurt Shadle  
32 informed Mr. Fields that the Town is having problems getting the data and asked him to interface  
33 with Town Administrator, Jan McCosh and get the person involved with Districts 1 and 2 to return  
34 their phone calls. Mr. Fields stated that he does not control anyone at the District but he was  
35 willing to do what he can. Mayor Rubin stated that the County may have made a mistake. He had  
36 seen the District 1 documents, which reference Soaring Hawk and Golden Eagle. He indicated  
37 that everyone in the Town pays the local district charge, which is more than the property taxes.

38  
39 Mr. Fields expressed a willingness to work with the Town and resolve the issue. He pointed out  
40 that they have been involved and ongoing conversations over the past two years. They have  
41 entered into a Master Development Agreement with the Town that specifies that if they install  
42 public infrastructure that benefits others, the Town must ensure that those that benefit from the  
43 infrastructure provide reimbursement. The court had been involved and they are real costs that  
44 carry with them a legal obligation.

1 Mr. Goldkind commented that the position of the developers seemed reasonable. No one who had  
2 spoken disagreed with the concept of subsequent developers paying for infrastructure that benefits  
3 everyone. The decision was whether the Town is satisfied with the dollar amount. Mayor Rubin  
4 stated that with some developments, assumptions were made in the assignment of the charges  
5 based on what they thought the connections would be. Now as developments are going forward,  
6 they have to validate whether they are using what the engineering study envisioned.

7  
8 Mr. Goldkind asked for verification as to whether the current Council Members are in agreement  
9 that the analysis is what the Town ought to be accepting. The Mayor commented that those in  
10 local districts should not have to pay as much in impact fees. He remarked that the Town is in  
11 very good shape with respect to water rights. The Town is in a solid position with regard to its  
12 ability to obtain water for the initial investment area of the Town.

13  
14 In response to a question raised by Mr. Goldkind, Mr. Ventura stated that the developers' concerns  
15 are very reasonable. Most cities calculate impact fees when a development comes in. There are  
16 often minimum standard requirements to be met and the infrastructure has to be built to serve the  
17 area. Anything beyond the minimum standard is an impact fee reimbursement. The Town's study  
18 began in much the same way and is based on the Master Development Agreement ("MDA"), which  
19 requires the Town to provide a proportionate share of the infrastructure, which differs from a  
20 minimum standard and an upsize. He pointed out that none of the studies are bulletproof and are  
21 based on judgment and calculations.

22  
23 Chris Ensign reported that the MDA was signed in 2010 by the former mayor and the developer  
24 with the approval of the Town Council. He expected it would be a significant springboard to the  
25 Town going forward but did not think it would be realized. There would be no benefit to the  
26 community going forward but will reimburse project costs to one developer. Mayor Rubin  
27 explained that the benefit to the Town is not through impact fees but due to the fact that they have  
28 created infrastructure that encourages people to want to live in Hideout after which time the Town  
29 collects money from them. Mr. Ensign commented on Klaim residents who are not allowed to use  
30 the amenities of another HOA yet he has to contribute to the cost. He expressed a desire to invest  
31 in the future of Hideout through permit fees.

32  
33 Mr. Brockbank asked for further clarification from Mr. Ensign. He explained that if they do not  
34 agree on a process, they will have to proceed with litigation. Mr. Brockbank asked the Town to  
35 put the matter on hold and allow him and Mr. Ensign to conduct a second study and hopefully  
36 avoid a lawsuit. Mr. Brockbank described the amenities he is providing the Town, which include  
37 a dog park, a \$2 million park, four miles of trails, and an estimated 8,000 additional feet of  
38 shoreline.

39  
40 In response to a question raised by Jerry Dwinell, it was reported that Mayor Richard Sprung  
41 signed the MDA. There was a claim that Mayor Sprung had a relationship with Mustang. There  
42 may have been other Council Members as well who had relationships with Mustang. Mayor Rubin  
43 stated that that does not make the agreement illegal. Mr. Dwinell agreed but stated that it "doesn't  
44 smell right" even if it is legal.

1 Mr. Fields reported that the Town was represented separately by Todd Godfrey. Mustang  
2 Development was represented by Bruce Baird in negotiating the terms of the agreement. For that  
3 reason, they objected to Mr. Baird hearing and opposing their efforts to enforce the provisions of  
4 the agreement. Mr. Brockbank clarified that Mr. Baird is not opposing the impact fees and they  
5 do not object to them if they are fair.

6  
7 Mr. Fields explained that Mustang Development is a former client of Mr. Baird's so there was an  
8 attorney-client relationship that existed. There are rules of professional conduct that govern  
9 attorneys with respect to what they can do relative to a current or former client. With respect to a  
10 former client, an attorney cannot undertake a representation that is averse to the former client on a  
11 matter that is substantially related to the work performed for the former client. His position was  
12 that the intent was for it to be a private matter between them and their former counsel. His  
13 understanding was that the position being taken in this proceeding was contrary to the rights for  
14 which he negotiated as counsel for Mustang Development in 2010. They did not give consent  
15 because there is an exception to be provided with consent for that representation. They did not  
16 consent to Mr. Baird taking on representation that is averse to that interest.

17  
18 Council Member Baier made it clear that the Town is under threat of a lawsuit. She noted that  
19 Mustang Development owes a great deal in delinquent taxes. She estimated that it equates to an  
20 entire year's worth of revenue to the Town. She acknowledged that they are in a precarious  
21 position with Mustang Development and it would be much better to have amicable exchanges  
22 without lawyers and not under threat of a lawsuit. She pointed out that tax delinquencies in the  
23 Town of Hideout equate to 25% of all delinquent taxes in Wasatch County.

24  
25 Kurt Shadle proposed that the Town allow Messrs. Brockbank and Ensign to conduct a quick  
26 study. The Mayor commented that the first step is to remove from the study those services that  
27 have been assigned to certain developers now that they understand that they are not using them.  
28 Once that is done, they can determine whether to pursue studies. The comment was made that  
29 there is a benefit to having more information. Mr. Brockbank remarked that their biggest concerns  
30 are roads. He reiterated that they have no problem paying impact fees, they simply want to make  
31 sure they are fair.

32  
33 Mayor Rubin invited comments from those participating via telephone.

34  
35 Kyle Blumin identified himself as a resident and stated that he hoped there was an amicable way  
36 to resolve the situation. He was told by his real estate agent that he will no longer bring clients to  
37 Hideout based on the reputation of the master developer. Mr. Blumin hoped it would not result in  
38 a lawsuit.

39  
40 There were no other comments from those participating via telephone.

41  
42 Bill Bartlett wanted clarification to understand the situation since the master developer is the  
43 recipient of the impact fee. He questioned the reasoning behind his opposition.

44  
45 There were no further public comments. Mayor Rubin closed the public hearing.

1 Mr. Dansie suggested that based on the comments raised, that the hearing be continued to a future  
2 meeting. Kurt Shadle suggested the hearing be continued to the July 11 meeting.

3  
4 **Chris Baier moved to continue the public hearing to consider approval of the Impact Fee**  
5 **Facilities Plan and adoption of the Impact Fee Enactment to July 11, 2019. The motion was**  
6 **seconded by Kurt Shadle. Vote on motion: Jim Wahl-Aye, Chris Baier-Aye, Kurt Shadle-**  
7 **Aye. The motion passed unanimously.**

8  
9 **4. DISCUSSION ITEM – Presentation by MIDA Regarding the Possibility of Signing**  
10 **an Interlocal Agreement with Hideout that will Incorporate Portions of Hideout**  
11 **Inside the MIDA Project Area.**

12  
13 Mayor Rubin reported that the State of Utah established the Military Installation Development  
14 Authority (“MIDA”) who was tasked with finding ways to encourage US servicemen to spend  
15 time in Utah and create an environment that is encouraging and rewarding. They have done project  
16 work for a number of years, much of it along I-15 near Hill Air Force Base. They are now working  
17 on recreational opportunities for military personnel and putting in place a project along the  
18 Jordanelle Reservoir. The first phases are on the Wasatch County side along US-40 and include  
19 hotels, the Deer Valley expansion on the back side of Mayflower and the portion that wraps around  
20 Jordanelle. The project also incorporates the new Jordanelle Parkway that is being constructed  
21 with the end being within the limits of the Town of Hideout. The MIDA team encouraged the  
22 Town to get involved and understand how it can benefit Hideout.

23  
24 The Mayor indicated that the Town has been working with MIDA for six to eight months on  
25 bringing property on the north end of Town into the project area. The Council studied the financial  
26 impact as well. The agreement should next be reviewed by the Council. Mayor Rubin explained  
27 that with UTOPIA the Town has been exploring ways to bring high-speed internet capability to  
28 Hideout. While the current service is adequate, higher speeds were desired for the future. MIDA  
29 has an interest in having UTOPIA here as well because it provides them with a second connection  
30 into the district. The Town has been working with UTOPIA Fiber as well to understand what  
31 would be required to provide the service.

32  
33 Entering into the MIDA project will afford the Town the opportunity to use future revenue from  
34 the MIDA project relationship to underwrite and backstop the costs associated with UTOPIA. It  
35 is a risk for UTOPIA to come to the area just for Hideout because we are a small community and  
36 there are costs involved with getting it up and running. MIDA has pledged to pay the Town’s  
37 costs if the needed number of connections do not come soon enough. Because of MIDA’s unique  
38 position in the State, they will be able to bring a level of tax revenue to the Town that is much  
39 higher than they would be able to collect on their own. Tax revenues were expected to increase  
40 by two to three times, which will enable the Town to have money to spend on public infrastructure.

41  
42 Acting Executive General Director and General Counsel for MIDA, Paul Morris explained that  
43 MIDA was created at Hill Air Force Base and consists of a 550-acre aerospace research park  
44 planned in conjunction with the Air Force and the developer who have built approximately 200,000  
45 square feet of office space. They are also involved at Camp Williams on the construction of a data  
46 center for which MIDA provided all of the infrastructure. To that point, they had done military

1 bases. During the Olympics, Hill Air Force Base had a hotel at Snow Basin that was on Forest  
2 Service property and they needed the hotel area for an expansion to accommodate the Olympics.  
3 Ultimately, the owner purchased property the Forest Service wanted and gave it to the Forest  
4 Service who in turn gave it to the developer.

5  
6 18 years ago, Congress passed a special law just for Hill Air Force Base that gave them land in  
7 Park City in exchange for the lost hotel property known as the Red Maple parcel. Unfortunately,  
8 the parcel was in a location that was not desirable since Park City had designated it as open space.  
9 The military was able to take the property and trade it for another parcel of equal value and leverage  
10 it into a resort/hotel opportunity. They worked for some time with Summit County in conjunction  
11 with Park City and ultimately asked MIDA to get involved. The laws were changed to allow  
12 MIDA to be involved if they obtained permission from the local government. They worked with  
13 Wasatch County and ultimately the Wasatch County Council agreed and unanimously approved  
14 agreements with MIDA and gave their consent. They were also required to obtain the consent of  
15 the property owners.

16  
17 Part 1 was created, which consists of the Red Maple parcel in addition to a 40-acre property known  
18 as Blue Ledge, which was completed in 2012. Last December they completed Part 2, which was  
19 identified on a map displayed. The property was ultimately annexed into the Town of Hideout and  
20 the County lost jurisdiction. Mr. Morris explained that there are three elected officials serving on  
21 the MIDA Board. In the agreement with the County, they addressed how to pay for all of the  
22 infrastructure. A formula was developed that would include utilizing property taxes by MIDA  
23 and capturing 75% of property taxes for 25 years. The proceeds were to be divided 70/30. 30%  
24 would go to the developer as reimbursement for constructing the infrastructure. The remaining  
25 70% would go toward County and project-wide infrastructure. The waterfall will first be used to  
26 pay for the Jordanelle Parkway, which MIDA was in the process of constructing. The project was  
27 to be completed according to County specifications.

28  
29 As part of the agreement, they were also to build sewer after which they will continue to make  
30 improvements to the east side. What was proposed will be a world-class development. The design  
31 of the hotel was about 50% complete and planned to be a 388-room, 60,000 square-foot convention  
32 hotel. It will consist of four floors underground and eight floors above ground. The goal was to  
33 go vertical by the end of the year. The grading permit was expected to be issued in the next few  
34 days. It was likely, however, that they will begin construction of the vertical footings and  
35 foundations this year. Buildout was expected to take 33 months. Two more hotels were then  
36 planned to be constructed back to back. Specifics of the proposed village were described.  
37 Construction was expected to occur around Jordanelle Parkway on the east side. All of the  
38 developers consented so the majority of the area shown in yellow on the map was now part of the  
39 MIDA project area. Part 3 would include future property owners. If the Town chooses to  
40 participate, it will be in Part 3.

41  
42 Mr. Morris explained that the MIDA legislation was written so that the Town would become  
43 equivalent. MIDA is the land use authority with preemptive power. They will capture the taxes  
44 and are responsible for providing municipal services. MIDA is not interested in becoming a city  
45 or hiring staff. They are a contracting entity so the County will provide the municipal services.  
46 MIDA will capture the Municipal Services Fund and give it back to the County who will provide

1 the services. The Development Fund will be split 70/30. Any leftover funds will be used to fund  
2 an equestrian center on the east side and a golf academy.

3  
4 When MIDA approached Hideout, the discussion was how to use the 70% and benefit the entire  
5 project area, the Town, the County, and military personnel who will recreate here. The Town  
6 expressed an interested in the UTOPIA infrastructure. MIDA agreed that the UTOPIA project was  
7 important to them and desired the same connectivity. The 70% would be split 50/50 with the Town  
8 using its portion to focus on backstopping the financing of the UTOPIA fiber installation.  
9 Hideout's focus benefits MIDA but is legitimate because they are causing the fiber to come up  
10 Highway 248. MIDA will focus on the green area and its development.

11  
12 Mr. Morris stated that one benefit of what UTOPIA is proposing is that if the money is dedicated  
13 and they get enough take rate, the Town will have to show that they have the money to back it.  
14 They then get to use the money if it is not needed to pay for the bond to be issued. This creates an  
15 opportunity for MIDA to use their 50% for other recreation sources and infrastructure that benefits  
16 the public, the military, and the project area as a whole.

17  
18 Chris Baier asked Mr. Morris to explain how MIDA functions like a municipality. Mr. Morris  
19 explained that their Board consists of a Chair who is a Senator appointed by the Senate. The Vice-  
20 Chair is also a Senator. Both are elected officials. It is a seven-member board with three required  
21 to be local elected officials. One member is from Wasatch County. Mr. Morris explained that  
22 they have preemptive exclusive power with respect to land use. While they will exclusively  
23 delegate everything back that they can in terms of land use power, they retain final appeal  
24 authority.

25  
26 Council Member Baier referred to the Town's New General Plan and stated that it contains an  
27 annexation map, which portions of the project area are on. Mr. Morris explained that per the  
28 annexation law, no city can annex into a MIDA project area unless MIDA gives permission. The  
29 County made it clear in the agreements that they want to retain their jurisdiction over the area  
30 shown in green. As a result, they will be highly resistant to anyone trying to annex in. Chris Baier  
31 philosophically objected to counties being in the urban development business.

32  
33 A map of the project area was displayed. In response to a question raised by Chris Baier,  
34 Mr. Morris identified the areas that are now within the MIDA project area. He estimated that the  
35 project area comprises 2,200 acres. Other property owners identified on the map can choose to  
36 come in in the future. For the west side agreement, MIDA is the land use authority with the County  
37 providing all municipal services and building inspections.

38  
39 In response to a question raised by Kurt Shadle, Mr. Morris explained that the Extell Development  
40 Company is owned by Gary Barnett who is the largest developer of high end residential and  
41 upscale hotels in Manhattan. He is known to be an excellent developer who does quality work and  
42 is straightforward.

43  
44 Chris Baier commented that Parkway will definitely be of benefit to Hideout because it will  
45 provide an alternative to get around the reservoir. Mr. Morris explained that military missions in  
46 Utah add about \$9 billion per year to the economy with \$6 billion from Hill Air Force Base. MIDA



1 was created to leverage that in a manner that creates jobs and economic value. Mr. Morris reported  
2 that Utah is a military-friendly place to do business and recreate.

3  
4 Chris Baier asked how MIDA is working with Wasatch County in the project area on the east side.  
5 Mr. Morris reported that they hired a Project Manager who is a former Marine Officer. One of the  
6 things she has been asked to do is to look at opportunities for military discounts. Transit options  
7 were also being explored.

8  
9 Kurt Shadle asked Mr. Morris to address the financial impact the project will have on the Town  
10 compared to the Town not participating and continuing to collect property taxes. Mr. Morris  
11 reported that on property tax revenue of \$6,000, Hideout currently receives about \$500. MIDA  
12 would capture 75% that amount for 25 years and take an administrative fee of 10%. 30% would  
13 then go to the landowner and Hideout and MIDA would split the remaining \$2,835 with each  
14 receiving \$1,417.50. Of the 25% that MIDA did not capture, MIDA receives Hideout's portion  
15 because the Town, in theory, is not responsible for providing services in the area. Of the \$500,  
16 Hideout would receive 25% or \$112.50. That would be added to the \$1,417.50 for a total of  
17 \$1,530. Using that calculation, on a \$6,000 property tax bill, Hideout would receive \$1,530.

18  
19 Mr. Morris understood that MIDA was taking tax dollars. The theory behind it was that that money  
20 would not be generated if they did not make this investment, which is what creates the value. After  
21 the 25 years, the money would go back to the taxing entities. By the end of the 25-year period, it  
22 was anticipated that the Town would be receiving three times as much assuming that the Town  
23 does not need to make backstop payments for the UTOPIA project. The worst-case scenario was  
24 described.

25  
26 Jerry Dwinell asked Mr. Morris to describe how the proposal impacts sovereignty. He explained  
27 that the project area becomes the equivalent of the city or county who has no responsibility. The  
28 law was designed with that in mind. They would accept the Town's current codes and any future  
29 amendments. They would also retain the final appeal authority. Mr. Dwinell stated that that was  
30 of concern to the Planning Commission who is currently rewriting huge sections of the Land Use  
31 Code. They do not want those areas to have the existing code locked for periods of time.

32  
33 Kit Kozikowski asked about the design standards that were recently adopted for the east side and  
34 if they are equally applicable in the yellow area. Mr. Morris explained that the draft agreement is  
35 modeled after the east side. There are two different agreements; one for the east side and one for  
36 the west side. On the west side, MIDA will retain all land use authority. On the east side, it was  
37 given back to the County.

38  
39 Mike Kozikowski asked to be provided with a copy of the west side building standards. Mr. Morris  
40 also indicated that the next Development Review Committee ("DRC") meeting is scheduled for  
41 Monday, June 17.

42  
43 Sara Goldkind identified herself as a member of the Planning Commission and stated that this is a  
44 very complicated issue. She asked Mr. Morris to describe what would be a downside from the  
45 Town's perspective. The biggest downside was to think about bringing in another entity. If in  
46 theory, someone has a land permit and does not like the decision, rather than go to court they can

1 come to MIDA who can overrule the Town's action. There is a requirement in the Interlocal  
2 Agreement that specifies that before any party appeals, they have to adopt rules governing the  
3 appeals process.

4  
5 Nate Brockbank asked if that right can be waived. Mr. Morris stated that that can be done in the  
6 Development Agreement. Mayor Rubin commented that it would not keep the Town from  
7 potentially going to court and is essentially an additional step in the process. Mr. Dansie suggested  
8 the Town Council and Planning Commission also be aware of the fact that there are restrictions on  
9 how the funds can be spent. If the Town were to receive \$500 today from a \$6,000 tax bill, it  
10 would be completely discretionary in terms of how it is spent. With MIDA, there are guidelines  
11 such as that it must benefit the project area. Mr. Morris explained that all of the money collected  
12 by MIDA must remain in the project area. The law specifies that MIDA can spend the money  
13 outside of the hatched area if it finds that spending it outside benefits the project area. The hope  
14 would be that it would be spent on recreational items such as parks.

15  
16 Mr. Morris mentioned that they only did the property tax calculation and MIDA imposes a 6%  
17 energy tax on those who reside there. Those funds go into the Municipal Revenue Fund, which is  
18 returned to the Town. Any sales tax collected in the future will go into the Development Fund and  
19 will be subject to the same 70/30 split.

20  
21 Mr. Brockbank asked about the timing of Option 3. Mr. Morris stated that if adopted by both sides  
22 and the property owner consents, it should be done in calendar year 2019, which will lock in 2018.  
23 Timing issues were discussed.

24  
25 LeRoy Farrell, from Extell Development, considered this to be a great benefit to the Town and  
26 saw no downside to the Town. Jerry Dwinell commented that potentially the Town would be  
27 reducing the amount of capital they can apply to salaries, staff, and other non-development  
28 expenditures. Kurt Shadle agreed and suggested they look at the financial aspects of the proposal  
29 carefully and asked the Mayor to revise the analysis done by Zions to examine more closely what  
30 the financial benefit to the Town would be under MIDA versus what it would be if the Town did  
31 not enter into this agreement.

32  
33 Robert Timmerman, UTOPIA Executive Director, stated that they have been in the process with  
34 the Town for some time and what is proposed will finance a backstop for the Town. Other cities  
35 are part of the UTOPIA and needed the back stop concept to approve the Hideout-UTOPIA project.  
36 They do not expect there to be costs to the Town, but it is not fair to ask other municipalities to be  
37 responsible for projects in Hideout. He stated that in the end, it will pay for itself in terms of  
38 revenues from subscriber monthly payments. The draft contract will include a bond but they need  
39 a commitment from the Town to backstop any shortfalls from these subscriber payments. Several  
40 protections were in place including a Reserve Fund to cover one year of debt service in the event  
41 of a shortfall. They were now working through the timing.

42  
43 Kurt Shadle commented that it has become a much more competitive process with a very low cost  
44 associated with the acquisition of very high-speed internet. He considered it to be a very good  
45 opportunity for the Town. In his opinion, the only issue was the Reserve Fund. Mr. Timmerman  
46 stated that is an easy way to cover the projected \$85,000 cost. The funds go into escrow and will

1 go away once they are 164 subscriptions. Messrs. Brockbank and Ensign agreed to cover the  
2 upfront money if approved.

3  
4 It was noted that once the number of subscribers reaches 230, the \$30 per month will equal the  
5 debt service on the financing and be the same as in any other UTOPIA project. Kurt Shadle  
6 remarked that what is proposed is the best internet service in Wasatch or Summit counties.  
7 Mr. Timmerman reported that it is the fastest in the country. They also have good customer service  
8 and a great reputation.

9  
10 Procedural issues were discussed. Mr. Dansie stated that in order to take action, the matter would  
11 have to be included on a future agenda. Mr. Timmerman hoped to have approval by June 10,  
12 which would allow them to provide service to the entire Town by the end of the year. It was noted  
13 that there are pockets in the Town that would not be covered. Overlook, for example, currently  
14 contracts with UBB. The possibility of the HOA board changing the CC&Rs was mentioned. It  
15 was suggested that this alternative be offered to residents of Overlook as well. While Overlook is  
16 not included in the calculations it would significantly improve their level of service and provide  
17 more subscribers to insure that the financing is successful.

18  
19 Council Member Shadle suggested that the Council consider scheduling a special session prior to  
20 June 10. Mayor Rubin suggested a meeting be held the week of June 3.

21  
22 **5. DISCUSSION ITEM – Discussion And Possible Approval of a Resolution Allowing**  
23 **the Mayor to Sign the KLAIM MDA Delayed to Special Meeting.**

24  
25 **6. ADJOURNMENT**

26  
27 **Chris Baier moved to adjourn. The motion was seconded by Kurt Shadle. The motion**  
28 **passed with the unanimous consent of the Council.**

29  
30 The Town Council Meeting adjourned at approximately 9:25 p.m.

1                                   **Town of Hideout Town Council Meeting Minutes**  
2                                   **10860 North Hideout Trail**  
3                                   **Hideout, Utah**  
4                                   **July 11, 2019**

5  
6 **Present:**       Mayor Phil Rubin  
7                   Chris Baier  
8                   Kurt Shadle  
9                   Jim Wahl  
10                  Hanz Johansson

11  
12 **Others:**       Jan McCosh, Town Administrator  
13                   Dan Dansie, Town Attorney  
14                   Jerry Dwinell  
15                   Kent Cuillard

16  
17 **Excused:**     Dean Heavrin

18  
19 **1.       CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

20  
21 Mayor Phil Rubin called the Town Council Meeting to order at approximately 6:00 p.m.

22  
23 **2.       ROLL CALL**

24  
25 All members of the Town Council were present with the exception of Dean Heavrin.

26  
27 **3.       APPROVAL OF TOWN COUNCIL MINUTES – July 3, 2019 Meeting.**

28  
29 Mayor Rubin reported that a special meeting was held on July 3 regarding approval of a resolution  
30 appointing Allison Lutes as Deputy Town Clerk.

31  
32 **Council Member Shadle moved to approve the minutes of July 3, 2019. Council Member**  
33 **Baier seconded the motion. Vote on motion: Jim Wahl-Aye, Chris Baier-Aye, Kurt Shadle-**  
34 **Aye, Hanz Johansson-Aye. The motion passed unanimously.**

35  
36 **4.       DISCUSSION ITEM – Help Needed Finalizing Council Minutes from 3/19 through**  
37 **6/27/19.**

38  
39 Mayor Rubin reported that due to employee issues, help was needed on the finalization of the  
40 minutes of 3/19, 4/4, 4/11, 5/9, 5/23, 6/13, and 6/27. He asked for help from those who were in  
41 attendance to review the draft minutes and recordings. Council Member Baier offered to help with  
42 the June meetings, Council Member Shadle the May meetings, and Mayor Rubin the April meetings.  
43 The goal was to have the minutes ready for review prior to the next meeting scheduled for August  
44 8, 2019.

1 **5. CONTINUATION OF PUBLIC HEARING – Consideration by the Town Council to**  
2 **Approval the Impact Facilities Plan and Adoption of an Impact Fee Enactment.**  
3

4 Mayor Rubin reported that the above matter is a continuation from the May 23 meeting. There was  
5 an investigation and feedback was received from constituents including residents and developers.  
6 They were close to being able to rework the figures on the work done with one exception. They  
7 were still awaiting documents from Hideout District 1 due to a GRAMA request. As of last Monday,  
8 the Town received confirmation that it was received.  
9

10 In response to a question raised with regard to the reason for the GRAMA request, Town Attorney,  
11 Dan Dansie commented that there was no animosity on the part of those making the request. Staff  
12 initially had trouble finding a contact person but the matter was now being addressed. It was noted  
13 that the master developer reached out to the Property Rights Ombudsman to get an opinion on the  
14 investigation and resolve the issue. A response was being formulated, which was expected to be a  
15 useful tool. It was suggested that the Town seek further assistance from State officials on the district  
16 analysis. It was note that the Town’s resources are limited and a great deal of money has been spent  
17 to this point.  
18

19 It was recommended that the matter be tabled again as there are still issues remaining to be resolved.  
20 It was reported that the following Wednesday they would be meeting with the local district to review  
21 the requested documents. The review process was described. The Mayor thought it would be  
22 helpful to identify the correct documents and get direction on what can be included in the report.  
23 Council Member Shadle suggested that the Town seek assistance from State officials on the district  
24 analysis.  
25

26 Timing issues were discussed. Mr. Dansie explained that some infrastructure was constructed that  
27 was not included based on the fact that it was ultimately financed by the local district. There had  
28 been some disagreement with the master developer about that, however, in order to move forward  
29 on the current version, they agreed that there were certain homes that would not be included that  
30 were financed by the local district. Going forward, the change would have to be discussed. Mayor  
31 Rubin commented that the goal is to resolve the issue and not continue to defer it. Mr. Dansie stated  
32 that staff would do its part to meet that date.  
33

34 **Council Member Baier moved to continue the matter to the August 8, 2019 meeting. Council**  
35 **Member Shadle seconded the motion. Vote on motion: Jim Wahl-Aye, Chris Baier-Aye, Kurt**  
36 **Shadle-Aye, Hanz Johansson-Aye. The motion passed unanimously.**  
37

38 **6. COUNCIL RATIFICATION – Consideration and Ratification by the Town Council of**  
39 **the Fire Restrictions Imposed July 1, 2019.**  
40

41 Mayor Rubin reported that some municipalities are allowing fireworks and others are imposing  
42 restrictions. Hideout was the latter. The Mayor took executive action and sent out the restrictions  
43 for Council review that went into effect on July 1. He thought it would be helpful to know whether  
44 the Council supports the fire restrictions. The Council expressed their support. Council Member  
45 Baier asked how the notice will be sent out. Mayor Rubin stated that a notice will be sent out via  
46 email to those the Town has email addresses for. It will also be posted on the Town’s website and  
47 on all notice boards. Council Member Baier asked how it will be observed. The Mayor stated that

1 it will done by observation. He pointed out that the residents understand the fire risks. Council  
2 Member Baier stressed the need for signage in neighborhoods.

3  
4 Council Member Shadle commented that developers pose the biggest risk. It was noted that no  
5 public input has been taken on the matter. No feedback had been received from residents. Mayor  
6 Rubin indicated that this was a matter of public safety, that we had the same restrictions last year,  
7 and that we would not change our position on this matter. The Mayor stated he would reach out to  
8 State Park officials to confirm their position on this matter.

9  
10 **7. APPROVAL – June Bills to be Approved for Payment.**

11  
12 Mayor Rubin commented that the Town has been cognizant of the fact that meetings are often  
13 lengthy and it is difficult for those participating via telephone for voting purposes. His preference  
14 was to address issues requiring a vote to be addressed during the first part of the meeting.

15  
16 The bills for the month of June were provided in the Council packet. The cutoff was specified as  
17 the third business day of the month. Going forward, the list would be made available three days  
18 before each meeting. The Mayor asked the Council to be proactive in submitting personal receipts.  
19 Council Member Shadle recommended that pass through bills be identified.

20  
21 Council Member Baier asked about the Utah Department of Commerce Building Permit surcharge  
22 and did not recall seeing it before. Town Administrator, Jan McCosh explained that it is a report  
23 that needs to be filed quarterly but has not been for two years. She would hold the check until she  
24 receives the appropriate backup.

25  
26 Mayor Rubin explained that the intent is that the service providers who have caused the Town to be  
27 in arrears will be billed for the surcharges and additional costs incurred by the Town.

28  
29 **Council Member Shadle moved to approve the June bills for payment. Council Member Wahl**  
30 **seconded the motion. Vote on motion: Jim Wahl-Aye, Chris Baier-Aye, Kurt Shadle-Aye,**  
31 **Hanz Johansson-Aye. The motion passed unanimously.**

32  
33 **8. PRESENTATION – Update on 2017-2018 Audit – Presentation by Childs Ricahrds**  
34 **(External Auditors).**

35  
36 Mayor Rubin reported that the Town is behind on their 2017-2018 audit but should be able to close  
37 it out soon with the help of staff and Audit Manager, Amy Davies. Child Richards CPAs and  
38 Advisors were contracted by the Town to perform agreed upon procedures required for the State. A  
39 full audit was not conducted. Ms. Davies was present to discuss their findings.

40  
41 The procedures performed included the following:

- 42  
43
  - 44 • A Financial Survey – No exceptions or deficiencies were found.
  - 45 • Review of Accounting Records – No exceptions or deficiencies were found.
  - Compliance – Recommendations:

- 1           ○ 13d. Finding – Minutes for the March 8, 2018 meeting were not posted within three  
2 business days. In addition, minutes of the October 12, 2017 meeting were not posted  
3 to the website.

4  
5           Response – The Town will establish procedures to ensure that minutes are posted  
6 within three days of approval.

- 7  
8           ○ 18. Finding – The Town’s unrestricted General Fund balance exceeds 75% of the  
9 Town’s total revenue by \$49,139.

10  
11           Recommendation – The Town will monitor the fund balance to ensure that it is not  
12 in excess of the requirement and comply with the restricted amounts.

- 13  
14           ○ 19a. Finding – Training was not completed by all Council Members.

15  
16           Response – All Council Members received the training in 2019.

- 17  
18           ○ 19b. Finding – Training on GRAMA was not completed in 2018.

19  
20           Response – The Town will provide GRAMA training to the designated records  
21 officer.

22  
23 Ms. Davies stated that the report was due in December 2018, however, they did not receive the  
24 requested information. The information had since been received and the work completed. Mayor  
25 Rubin reported on a recent change to their financial support team, which will result in more  
26 efficiency going forward.

27  
28 Council Member Baier asked how close the Town is to becoming a City. Ms. McCosh reported that  
29 25 more residents are needed. A population of 975 is the State’s estimate, so 2020 will be Hideouts  
30 last year as a town.

31  
32 Council Member Shadle asked if there is a procedure that could be implemented to provide an alert  
33 if required items are delayed and not getting done. Mayor Rubin explained that those types of  
34 matters come to him. He relies on the Town’s prior service provider. Going forward, the Town  
35 will have competent employees who will monitor the requirements. It was noted that funds were  
36 cut off by the State, which has impacted the Town’s revenues.

37  
38 **9. PRESENTATION – 2018-2019 Financial Statement – Presented by Jan McCosh.**

39  
40 Mayor Rubin reported that the 2018-2019 financial statement will be presented prior to closing out  
41 this fiscal year. This information is to be shared with the County. Ms. McCosh explained that the  
42 Standard Financial Report is part of the required compliance going forward with a presentation to  
43 be made quarterly. The financial statement is preliminary in nature and the Town is in the process  
44 of transitioning the Treasurer. Wes Bingham has served as a municipal accountant for several years.  
45 The Town is working to put procedures in place so that they do not repeat past errors. Ms. McCosh  
46 was not prepared to certify the numbers as she was still gaining access to bank accounts and other  
47 information. She was not yet able to put forward the numbers with a high level of confidence that

1 they are correct. She pointed that the revenues are off because they have not had access to the funds  
2 that have been on hold. The statements have been sent to a clerk who is not present or is not passing  
3 the information along.

4  
5 Council Member Shadle questioned whether the revenue held by the State should be included in the  
6 budget even though the Town has not physically received it. Ms. McCosh explained that it should  
7 be included. It has been going to the Clerk but it has not been passed on. The Town has access to  
8 the funds they are entitled too and nothing is being lost. Ms. McCosh clarified that it is reflected in  
9 the budget. The revenue was budgeted for but she could not verify the exact number. Mayor Rubin  
10 pointed out that no significant material changes were proposed but the corrections need to be made.  
11 Ms. McCosh stated that the new procedure will simply include the audit process.

12  
13 **10. DISCUSSION ITEM – Truth in Taxation Hearing Schedule – Presented by Jan**  
14 **McCosh.**

15  
16 Ms. McCosh reported on the following tasks that have been completed since the last meeting:

- 17
- 18 • An interim budget was approved based on the tentative budget.
- 19
- 20 • The budget was uploaded to the State, which is a requirement.
- 21
- 22 • Staff communicated with Wasatch County about the future Truth in Taxation Hearing to be  
23 held on August 8, 2019.
- 24

25 Ms. McCosh reported that because there are other municipalities going through the same process,  
26 the County prepares the first ad. She verified with the County that they received the information.  
27 On July 25 the County will place an ad in *The Wasatch Wave* and the Town will reimburse the  
28 County for the cost. At the same time, public notice will be provided. A second ad is due seven  
29 days prior to the hearing for which the Town is responsible. Mayor Rubin commented on the low  
30 readership of *The Park Record* and did not feel it would be worth the additional cost to place an ad  
31 in that publication.

32  
33 Council Member Shadle commented that very few people read the ads so he suggested they find  
34 other ways to notice the matter in addition to the advertisement in *The Wasatch Wave*. Mayor Rubin  
35 suggested utilizing the Town’s website rather than Nextdoor as a communications mechanism.

36  
37 It was reported that by State law, the Truth in Taxation hearing is a single subject meeting. They  
38 will open the meeting, go through the Truth in Taxation session, adjourn the meeting, and reopen  
39 the regular meeting. It may be necessary to meet the fourth Thursday in August to address the  
40 remaining items on the agenda.

41  
42 **11. DISCUSSION ITEM – MIDA Financial Analysis – Most Recent Analysis.**

43  
44 Mayor Rubin reported that Zions bank performed an additional analysis on the net benefits to the  
45 Town. The intent was to minimize the Town’s expenses with Zions. He referenced the PowerPoint  
46 presentation given by Susie Becker from Zions, and stated that when it was created there was the  
47 potential for as many as 102 units in the Vanden Akker property. They know, however, that it is



1 less than that based on the last Council Meeting. Klaim is not included in the calculation but they  
2 have expressed an interest in participating. The taxable value was discounted because they are  
3 second homes, which are taxed at a lower rate. He commented that Scenarios 1 and 4 show the gaps  
4 and differences. Each of the four scenarios were described. What is presented assumes the Town  
5 being included in MIDA with full participation. The funds generated will improve the community.  
6

7 Council Member Baier's understanding was that the revenue will be in the form of a tax to future  
8 residents within the MIDA project area. Mr. Dansie explained that the tax rate is set by the Town  
9 and is from the property tax revenue allocation. Jerry Dwinell commented that Wasatch County is  
10 giving up the tax in those areas. Mr. Dansie named the entities that will not receive it. It was not  
11 clear to Council Member Baier whether there is an adequate narrative and she was interested in  
12 reviewing the specifics. Nate Brockbank offered to pay Susie Becker come back and lead a work  
13 session. Jerry Dwinell commented that having Ms. Becker come back will not provide the answers  
14 sought since she is only doing the math. Council Member Baier was interested in seeing those  
15 numbers. Her recollection was that there will be a benefit to MIDA recipients. She was interested  
16 in understanding what specifically can be done in the next five years.  
17

18 Council Member Shadle remarked that they could do a bond and pledge the revenues to make  
19 improvements now. Possible projects were discussed. Mr. Dansie clarified that the funds are not  
20 to be used to build military facilities but to develop projects that provide a direct benefit to military  
21 families. The initial project was to develop a business corridor adjacent to Hill Air Force Base for  
22 use by government contractors and others to benefit military families. They also want to provide  
23 recreational space that will benefit military personnel and their families.  
24

25 Mayor Rubin commented that the intent is to provide recreational space for military families to stay  
26 and recreate in Utah. The State of Utah also sees it as a benefit and is willing to give up the tax  
27 base. He pointed out that in the envisioned development around Jordanelle, there are multiple price  
28 points. The spaces under consideration are already approved for certain types of housing, which  
29 will not support the affordable housing vision. Land would have to be purchased by the Town to  
30 provide affordable housing. In addition, the Town needs a resource person to help them better  
31 understand what will happen when they become a City.  
32

33 Ms. McCosh reported that they are transitioning and in anticipation of getting compliance this year  
34 as a City. The intent is to train and certify Ms. Lutes as a Clerk, which will be required when  
35 Hideout becomes a city. Mayor Rubin asked about the additional requirements that will need to be  
36 met once they are a city. Ms. McCosh stated that there are several requirements pertaining to  
37 planning. She reached out to Summit County for assistance in that regard and would be reporting  
38 back to the Council. Jerry Dwinell remarked that the Planning Commission is working through the  
39 issue and is not yet ready to make a recommendation.  
40

41 Mayor Rubin stated that the Town's portion will be used to backstock UTOPIA. Of the \$37 million  
42 in development funds, 30% will go to the landowners, which must be used for the betterment of the  
43 project area.  
44

45 Council Member Shadle asked Mr. Brockbank if they have a separate agreement with MIDA.  
46 Mr. Brockbank indicated that they do not and stated that they have to first have an agreement with  
47 Hideout. The intent is to use the \$11 million for roads, parks, and infrastructure. Council Member

1 Shadle remarked that their plans include certain things and asked if the funds go toward roads,  
2 whether those funds would essentially be a profit since what would have been spent on roads is now  
3 being paid for with MIDA revenues, which is essentially tax revenue. Mr. Brockbank explained  
4 that the funds will benefit the Town and something they normally would not receive. Any funds he  
5 receives will benefit the community directly. He stressed that the project is not based on him  
6 receiving funds from MIDA.

7  
8 Council Member Shadle suggested the possibility of forming a committee that would oversee how  
9 the money is spent. Mr. Brockbank's understanding was that development fees are reimbursed to  
10 him to help pay for the development improvements. Ultimately, MIDA has to have the cooperation  
11 of three parties. The municipality and the landowners also have to give their consent.

12  
13 Council Member Shadle stated that over a 25-year period, the funds could be of tremendous  
14 economic benefit to the Town, which has no amenities. Mr. Brockbank commented that with the  
15 plan envisioned for the Vanden Akker parcel, he would have to construct a wall, which would be  
16 costly. Although it will benefit him personally, there should be a far greater benefit to the Town.

17  
18 The net total was calculated at \$42 million before splitting it up. The risk to the Town would be to  
19 cut the budget by a few million dollars over 25 years, which could potentially put the General Fund  
20 at risk. An analysis should be conducted to ensure that that does not occur. They cannot transfer  
21 from one account to another, so it is important to understand the definition of the funds and place  
22 existing funds in the correct categories. The Mayor's opinion was that the other two scenarios  
23 confuse the issue and recommended they be eliminated.

24  
25 Council Member Shadle stated that from a tax base standpoint they are using a very small portion  
26 of the overall tax payment and extending it out. This pushes the County back on its share of collected  
27 taxes. The Mayor remarked that the risk is at the County level. They are betting on the future that  
28 the development will generate revenue beyond 25 years. With Mayflower, they will also become  
29 an active player in the ski industry where they have not been in the past. Concerns and long-range  
30 benefits were discussed among the Council. Mayor Rubin commented that the agreement that is in  
31 place will give the Town control.

32  
33 Mr. Dansie commented on the development application and the standards. The potential for  
34 challenges were identified. It is to the Town's advantage to be a good partner and there is a  
35 mechanism in place to challenge it, if necessary. He stressed the need to update the current Code  
36 on the appeal process in the near future. Possible scenarios were discussed.

37  
38 Mr. Dansie explained that once there is a development application, the issue for the Council to  
39 decide is whether the development application meets the requirements of the Code. If the Town  
40 Council determines that it does not, there is an appeal process in place. The MIDA agreement  
41 specifies that they cannot utilize all of their power over planning and zoning within a project area.  
42 Wasatch County will keep one sliver and within the project area they will have the last say before  
43 going to court to appeal a decision. That keeps the County involved and allows them to exercise  
44 some planning and zoning authority over the Town of Hideout. Jerry Dwinell remarked that a major  
45 focus of the Planning Commission has been on remedy and land use issues and whether the Town  
46 is giving up any sovereignty or land use authority in the project areas.

1 Mayor Rubin commented that they are not changing the makeup of the Town and what will go into  
2 the spaces. It does, however, potentially change the Town's ability to drive some of the  
3 improvement programs. He was enthusiastic about the MIDA project because of potential benefits  
4 to the Town and the fact that it takes some of the burden off of the residents.

5  
6 Mr. Brockbank stated that he cannot change the project without going through the approval process  
7 again. Based on a conversation he had with a MIDA official, his opinion was that MIDA will not  
8 care what is done in Hideout.

9  
10 Council Member Baier suggested that the Council consider General Plan scenarios showing how it  
11 would work. She questioned where the Town stands on schools and parks. Council Member Shadle  
12 commented that the Town is currently not being properly served by the school district.

13  
14 The matter was to be included on the next agenda for further discussion.

15  
16 **12. DISCUSSION – Golf Course Complaints – Next Steps.**

17  
18 Mayor Rubin reported that a significant number of letters of concern have been received from the  
19 community, primarily about the appearance of the golf course. A letter was sent to the golf course  
20 citing code violations and giving a time frame within which to reply. Receipt of the letter by the  
21 golf course was acknowledged. Mr. Dansie also spoke to Mustang Development's Attorney, Jared  
22 Fields, who does not believe that the conditions identified in the letter rise to the level of a nuisance.  
23 They also do not believe that the Town can take enforcement action. Mr. Dansie stated that a number  
24 of remedies are outlined in the Code. He suggested that the Council continue to monitor the  
25 situation. Mustang does not believe there is a requirement for the pond to be kept at a certain level.  
26 They contend that its primary purpose is as storm water detention. It was noted that the Town has  
27 options specified in the Code.

28  
29 Mayor Rubin expressed concern that the maintenance area is a fire hazard regardless of the pond  
30 issues. Council Member Shadle commented that per the HOA, the developer is exempt from their  
31 own rules. Mayor Rubin and Mr. Dansie planned to meet to discuss strategies going forward.

32  
33 Council Member Baier commented that if there is a pond on the site, it should have water in it and  
34 have a finished appearance. She questioned the purpose of the detention pond. Mr. Dansie stated  
35 that it depends on how the plat was laid out. The question was whether it was planned as a detention  
36 pond or water feature. The Mayor stated that if it is determined to be a detention pond, it needs to  
37 be landscaped as one.

38  
39 Council Member Baier pointed out that the current condition of the golf course could impact  
40 property values and resale potential. In addition, it is not in keeping with the master HOA  
41 guidelines. Mr. Dansie pointed out that MDA development applications do not address nuisance  
42 issues. Council Member Shadle suggested that the nuisance law be fine-tuned.

43  
44 It was verified that the letter was sent to Outlaw Golf Club, LLC as well as to Mustang  
45 Development's Attorney, Jared Fields.

1 **13. DISCUSSION – Internet Committee – Next Steps.**  
2

3 Mayor Rubin reported that the Town was close to having a deal with UIA. The proposal was  
4 reviewed by the Internet Committee who sent it back with minor changes with the expectation that  
5 it would be signed. Significant interest had been expressed in obtaining better broadband coverage.  
6 The consensus was that UTOPIA was the Town’s best option and there were detailed discussions  
7 with UIA about cost. When the proposal was returned, significant changes had been made with a  
8 dramatically different cost structure. The cost increased by \$200,000 with no discussion or  
9 explanation, which was troubling. About the same time, a consortium approached the Mayor with  
10 a concept not dissimilar from UTOPIA. It involved an interlocal agency but instead of UTOPIA  
11 owning the fiber, the Town would own it. The proposal was in the process of being reviewed.  
12

13 Jerry Dwinell commented that once the infrastructure costs are paid off, that amount goes away.  
14 The timing of the project can also be structured to keep costs low. He commented that they are  
15 doing their due diligence but the current bid is a good option.  
16

17 Kim McKinley from UTOPIA explained that when they prepared the initial bid, they asked for a  
18 map but never received one from the Town. As a result, when they did a walk through, they found  
19 that the conditions were different. Two portions consisted of the interconnect from I-40 and  
20 Hideout. The cost came in substantially higher for the interconnect and the build. UTOPIA was  
21 still working to determine if they can take on the entire cost of the interconnect. They were working  
22 on ways to reduce the cost but had not made any final determinations.  
23

24 Jerry Dwinell stated that they supplied UTOPIA with the maps that were available. In addition, the  
25 Town has been working with UTOPIA for over one year and they have visited Hideout numerous  
26 times. He did a walk through with an engineer three weeks earlier and then the cost came back  
27 much higher.  
28

29 The costs were reviewed with the Town Engineer and trenching options were explored. They went  
30 ahead with the fiber that Allwest is proposing be placed in the roadway. This would eliminate the  
31 need to dig up driveways or disturb landscaping. A four-inch cut would be made through the asphalt.  
32 The total cost of that install was estimated to be \$130,000, which reduces the cost significantly.  
33

34 Ms. McKinley discussed the pros and cons of micro trenching. Mayor Rubin pointed out that it  
35 reduces the cost. Ms. McKinley indicated that she would take the input received back to their Board.  
36 Mayor Rubin stated that the Town would be willing to meet with UTOPIA representatives to discuss  
37 what changed and why. Council Member Shadle stated that action needs to occur quickly since the  
38 residents are anxious to receive the service.  
39

40 **14. DISCUSSION ITEM – Hideout Local District – Findings to Date.**  
41

42 Mayor Rubin reported that as part of their forensic analysis, the Town Engineer is examining the  
43 various documents that describe the various portions of the Town in legal language. These areas  
44 were also mapped. The Council Members received a note from the Mayor regarding feedback on  
45 the tax rates. Council Member Baier questioned whether the requested data can be obtained from  
46 Wasatch County.  
47

1 **15. DISCUSSION ITEM – Emergency Training – Need Availabilities for Training Dates.**

2  
3 Mayor Rubin asked that the Council submit their availability for the two weeks in order to schedule  
4 the training. It was noted that volunteers will be trained on how to handle emergencies. Some live  
5 up to 40 minutes away. He stressed the need to be more prepared.

6  
7 The Mayor reported that the GIS mapping is nearly complete. It will enable them to identify the  
8 location of a leaking valve and resolve the situation quickly.

9  
10 The Mayor indicated that there was a sewer backup over the weekend. Over the winter, there was  
11 also a problem at the sewer lift station. The intent was to train people to address those types of  
12 issues. Council Member Baier commended Kent for coming out on the weekend and managing the  
13 situation.

14  
15 The Town was also working toward implementing an alert system via text message or email.

16  
17 **16. PUBLIC INPUT – Floor Open to Any Attendee to Speak.**

18  
19 Mayor Rubin opened the meeting to public comment.

20  
21 Jerry Dwinell spoke as a resident and first addressed the response from the golf course, which  
22 seemed like an insult to the Town. He encouraged the Council to act with due diligence to resolve  
23 the issue. He next addressed the burn issue and stated that clarity is needed since it mentions  
24 exempting commercial BBQ grills. Limitations on firepits and solid fuel should also be clarified.

25  
26 Carleen Callahan and Don Blumenthal spoke by telephone and submitted a letter to the Town  
27 Council. Ms. Callahan thanked the Town Council and the Mayor for their work. Their main concern  
28 pertained to impact fees. She asked for clarity on the distribution of funds and other specifics.

29  
30 Mayor Rubin explained that by law, in the State of Utah, developers have the right to be reimbursed  
31 for the creation of public infrastructure that is outside of their project and benefits more than just  
32 their specific project. The Town hired an independent third-party engineering firm to look at the  
33 cost of these types of infrastructure to determine the correct amount of reimbursement. He explained  
34 that the district was created by a previous administration and was formed as a financing mechanism  
35 for development. The belief was that this it covers some of the same infrastructure. The Town was  
36 trying to ascertain whether residents would be charged twice. When they reach a figure they feel is  
37 fair and equitable for the shared infrastructure in the Town, that amount will be shared by future  
38 residents. Due to how the Town is designed, not every area is the same. As a result, the charge will  
39 not be uniform and will be based on where someone lives. For example, Soaring Hawk and Golden  
40 Eagle have been exempted because they are covered by the bond. Ms. Callahan asked that the  
41 revised version of the document be made available to property owners. Mayor Rubin stated that it  
42 would be and that a public hearing will be held.

43  
44 Bill Bartlett addressed the pond and asked what it would cost to fill it up and make it look attractive.  
45 Mayor Rubin did not expect the cost to be significant. After speaking with the prior engineer, it was  
46 determined that they either need to increase the pump volume or decrease the upflow from the pond.  
47 Mr. Barlett commented on the poor appearance of the pond.

1  
2 Donna Turner a Shoreline resident, commented on her past experience with detention basins. She  
3 stated that because the pond has a liner, it is intended to be filled with water. A detention basin has  
4 a natural base and is allowed to grow vegetation. She agreed that the situation needs to be resolved.  
5

6 Mr. Bartlett asked about the status of the internet and stated that Allwest is tearing up their road and  
7 installing conduit. He questioned why the Town was still working with UTOPIA when Allwest is  
8 taking action. Mayor Rubin pointed out that Allwest is not outfitting the entire Town and is only  
9 providing service to Rustler and Shoreline. Mr. Dwinell pointed out that the service Allwest is  
10 providing is significantly more expensive per month than the UTOPIA contract. As a public utility,  
11 they have the right to use public rights-of-way to install infrastructure and they are paying the cost  
12 of installing the lines. Allwest wants to serve the more highly dense areas of Town, which is more  
13 cost effective for them.  
14

15 Council Member Baier observed that there has been no traffic control on the road where they are  
16 trenching. Mr. Dwinell agreed that flaggers are needed and would address the matter.  
17

18 Mr. Bartlett had heard a rumor that the golf course is for sale. If sold, he asked what will happen to  
19 the property. Mayor Rubin stated that nothing can be done with the property without a zone change.  
20 He has reached out to several in the real estate community and there is no indication that it is for  
21 sale.  
22

23 Council Member Baier commented that Hideout was planned as a Resort Specially Planned Area  
24 (RSPA) and the anchor amenity is the golf course. Mr. Dwinell pointed out that there are four  
25 requirements for an RSPA and only two are currently being met. It was reported that when a home  
26 is sold, 1.25% goes to the master HOA.  
27

28 Mr. Bartlett commented that MIDA will bring in issues such as congestion and asked about the  
29 potential pros and cons. Council Member Shadle stated that growth will happen regardless. He  
30 reported that the Town's tax revenue was \$50,000 this year. With the funds generated from MIDA,  
31 the Town will be able to make needed improvements. Council Member Baier commented that the  
32 MIDA board is appointed by the State. Her biggest worry was loss of Town control due to lack of  
33 local representation.  
34

35 Harry Major asked for clarification of the golf course situation and what would be required to rezone  
36 it. Mr. Dansie stated that the current zoning would not prevent development.  
37

38 Lori Tippetts reported that she has a home under construction and was concerned about the rumors  
39 of the golf course selling. She questioned whether she should continue to build and noted that she  
40 has already invested a significant amount of money. Mayor Rubin stated that the property is  
41 privately held and the landowner has the right to sell and do with it what he wishes. He agreed to  
42 approach the owners of the golf course and move this issue higher on the list of Town priorities.  
43

44 Mr. Dansie explained that a future change to the zoning would not effect the development  
45 application. He stated that the Town's ability to rezone the golf course area is based on the  
46 development agreement and vested rights.  
47

1 Ms. Tippetts asked who controls the zoning. Mr. Dwinell commented that in this case it is unknown  
2 what the Master Development Agreement carries with it. He stated that research needs to be  
3 conducted.

4  
5 Laurie Major commented that they did not look into the land below them before building. She was  
6 confident that most of it was BLM land but realized that the golf course could at some point be sold.  
7 She asked about access if the golf course is sold. Mayor Rubin stated that they would have to study  
8 the area maps to make that determination.

9  
10 Property value issues were discussed. Mr. Dansie declined to comment on property values if the  
11 gold course is sold. Anyone with questions regarding their individual agreements with Mustang  
12 were advised to consult a private attorney. That was not a matter for the Town to address and is a  
13 private matter. Available resources were identified.

14  
15 There were no further public comments.

16  
17 **17. ADJOURNMENT TO EXECUTIVE SESSION**

18  
19 **Council Member Shadle moved to close the public meeting and reconvene in an executive**  
20 **session. Council Member Baier seconded the motion. Vote on motion: Jim Wahl-Aye, Hanz**  
21 **Johansson-Aye, Chris Baier-Aye, Kurt Shadle-Aye. The motion passed unanimously.**

22  
23 The City Council was in closed session from approximately 9:10 p.m. until 9:45 p.m.

24  
25 **18. ADJOURNMENT**

26  
27 **Council Member Shadle moved to adjourn. The motion was seconded by Council Member**  
28 **Baier. The motion passed with the unanimous consent of the Council.**

29  
30 The Town Council Meeting adjourned at approximately 9:45 p.m.

31  
32  
33  
34  
35  
36  

---

Lynette Hallam, Town Clerk

# **Agenda Item #7**





## **ANNEXATION DECLARATION**

### **INTRODUCTION**

Utah law requires each municipality to prepare an annexation policy or plan. This document is prepared for the Town of Hideout (“Town”) to satisfy that requirement.

This annexation policy, and other policies spelled out in the General Plan, provides policy guidelines to be used by the Town Council. The annexation policy allows the Town to balance the tax base of the community by anticipating future expansion of municipal and emergency services while protecting valuable open space and sensitive environmental areas.

The Town recognizes typical annexation procedures begin with landowners and their desire to have their property included within the municipal boundaries. In certain scenarios, the Town can be the instigator of an annexation petition. Therefore, while the Town and other municipalities can plan for future annexation, the timing of municipal expansion is primarily dependent upon landowners bringing petitions for annexation to the Town for approval.

The annexation policy is also incorporated as part of the General Plan. The terms and provision of this annexation policy provide the specific criteria that will guide the Town’s decision whether to grant future annexation petitions. The Town’s annexation policy is subject to change from time to time through normal municipal procedures.

### **BACKGROUND**

In the 2001 session of the Utah State Legislature, statutes governing municipal annexations were amended to include a requirement for an annexation policy or plan.

### **STATUTORY REQUIREMENTS**

This annexation policy was prepared and adopted by the Town pursuant to Utah Code §10-2-401.5. If any provision of this policy is found to be inconsistent with state law, or any other provision of law or ordinance, that provision shall be severed and all remaining portions of this policy shall remain in full force and effect.

## **PURPOSES AND OBJECTIVES**

In order to prepare for future expansion of municipal services, to further the goals of the General Plan, to identify public safety boundaries, to plan for an appropriate growth balance, and to preserve environmentally sensitive areas, the goals of the annexation policy include, without limitation:

- GOAL 1.** Increase livability and quality of life for Hideout residents by creating public spaces to congregate and recreate and by preserving the outstanding views around it.
- GOAL 2.** Enhance and expand current utilities including water, electricity, sewage, parks and telecommunications to account for current and future population growth (in cooperation with service districts and utility providers where appropriate).
- GOAL 3.** Establish the potential for additional schools within either the Wasatch or Summit School District so children can attend schools closer to Hideout and reduce their current commute time.
- GOAL 4.** Providing adequate recreational facilities for the enjoyment of Town residents.
- GOAL 5.** Protecting and enhancing, where possible, environmentally sensitive areas from inappropriate development.
- GOAL 6.** Balancing the tax base of the Town between residential housing and other types of development, including commercial.

## **PURPOSES FOR A WELL-DEFINED ANNEXATION POLICY**

The Town Council finds that a well-defined annexation policy serves to bring property owners and Town officials together to formulate a land use pattern that can improve the community while allowing property owners the ability to realize the economic benefit of their property. The Town Council strives to find a balance between private property rights and community values. Objectives of property owners and the Town may sometimes differ. An effective annexation procedure can mitigate the tension often associated with the development process.

The Town encourages annexations where proper planning of an area can be completed, and premature replacement of infrastructure and improper circulation patterns can be avoided. Annexation petitions should include a specific plan for each annexation; including zoning, land use patterns, density, required infrastructure, financial analysis and other design elements.

## **CHARACTER OF THE COMMUNITY**

Each community possesses unique characteristics that are important to protect. Such characteristics give a community a sense of place and help residents feel comfortable. A sense of pride can be established in the community by focusing on those amenities that residents' value and find worthy of protection. The Town has many unique characteristics, such as its beautiful mountain views, feeling of spaciousness, peacefulness, and a sense of community. Such attributes should be protected as the Town grows.

## **HISTORICAL DEVELOPMENT PATTERN**

The Town of Hideout was originally developed as a residential community and as a place of peace and refuge for individuals and families. Hideout seeks to be a stable and well-functioning municipality focused on its residents and the environment.

## **ANTICIPATED FUTURE DEVELOPMENT PATTERN**

New development should be sustainable and be beneficial to the community. If development of an area of proposed annexation does not in some way further the goals of the Town, it should not occur.

## **MUNICIPAL SERVICES IN UNINCORPORATED AREAS**

Development in unincorporated areas may pose a future burden on Town resources if they are not annexed in an intelligent manner. The area covered by this annexation policy is an area primarily without urban development.

Thus, before any annexation petition is approved, the Town Council should consider the Town's ability to provide adequate municipal services to unincorporated areas that may become dependent on the Town and is in the interest of residents and property owners.

## **EXTENSION OF MUNICIPAL SERVICES**

Extension and expansion of municipal services into the Town and neighboring areas covered by this annexation policy may be accomplished in several ways, including, without limitation, the following:

1. **Culinary Water:** The region is currently serviced by JSSD (Jordanelle Special Service District) for culinary water. All growth and expansion should be done in coordination with, and in cooperation with JSSD. As the Town grows and annexation petitions are approved, additional water resources/delivery may be obtained by:
  - 1.1. Extension of water-main lines through installation by developers. Some extensions of water-main lines may be eligible for reimbursement through impact fees. Any extension should be planned and coordinated with JSSD.
  - 1.2. In cooperation with JSSD, plan and construct new water storage facilities through a mix of developer funds, impact fees and Town funds. New storage facilities may be needed as development occurs in the areas covered by this annexation policy.
  - 1.3. Developers obtaining adequate water rights for their projects and then transferring those water rights to the Town for each new development (or JSSD as applicable).
  - 1.4. The Town may require that maintenance of culinary water supply lines remain with the developer or property owners' association.
2. **Sewer:** The region is currently serviced by JSSD (Jordanelle Special Service District) for sewer services. All growth and expansion should be done in coordination with, and in cooperation with JSSD. Each new development in the Town is required to connect to a sanitary sewer system. As the Town grows and annexation petitions are approved, the creation/expansion of a sewer system may be required. Probable service/expansion plans include:
  - 2.1. Developers, who will be responsible to coordinate with JSSD to extend the sewer lines and complete any necessary upgrades to provide sewer service to new developments. Some of the extensions and upgrades may be eligible for reimbursement through impact fees. (Because of topography, developers may be required to install lift stations to transport waste water to the treatment facility. The Town may require that ownership and maintenance of such lift stations remain with the developer or property owners' association.)
  - 2.2. The Town may need to plan, and coordinate with JSSD to build additional capacity to serve areas that may be annexed.
  - 2.3. The municipalities, which in the eastern part of Wasatch or Summit County may need to plan and

coordinate with JSSD to construct a regional waste-water treatment facility. All new sewer facilities in the Town should work cooperatively with JSSD.

3. **Electricity:** The Town does not provide municipal electric service. As the Town grows and annexation petitions are approved, the expansion of the electric system within the Town will be the responsibility of the developers in cooperation with Rocky Mountain Power or successor electric delivery entities. The location and construction of all electric lines located above or below a public street; or within a public right-of-way must be approved by the Town.
4. **Public Safety:** The public safety services in all of Hideout including the area covered by this annexation policy are currently provided at the county level.
5. **Solid Waste Disposal:** As areas covered by this annexation policy are annexed by the Town, solid waste collection and disposal service will be provided in the same manner as is used in the remainder of the Town.
6. **Recreational Facilities:** Development results in an increased demand for recreational facilities. The Town Council has adopted an acceptable level of service in connection with imposition of recreation impact fees and may propose additional active recreation areas such as playing fields and parks and will improve existing facilities to provide service to the residents of areas annexed. The Town may also provide passive recreation facilities such as trails and nature parks. Developers may be given credit toward recreation impact fees for providing recreational facilities or the land for such facilities.
7. **Coordination with Other Entities:** As the boundaries of the Town of Hideout expand, other service providers will be affected. The Town will communicate and coordinate with the following entities, and others that may be affected, when appropriate:
  - 7.1. Wasatch County
  - 7.2. Wasatch School District
  - 7.3. Rocky Mountain Power
  - 7.4. Telecommunication Providers
    - 7.4.1. Utopia Fiber
    - 7.4.2. All West Communications
    - 7.4.3. Qwest Communications (Century Link)
  - 7.5. Dominion Energy
  - 7.6. Jordanelle Special Service District (JSSD)
  - 7.7. Wasatch County Fire District
  - 7.8. Wasatch County Sheriff's Office
  - 7.9. Jordanelle State Park
  - 7.10. Kamas
  - 7.11. Park City
  - 7.12. Summit County
  - 7.13. Utah Department of Transportation (UDOT)

## FINANCING OF SERVICES

Providing municipal services is expensive and is funded using many sources. Potential funding sources have been included in other parts of this annexation policy. In general, funding of extension and expansion of municipal services will include, without limitation, the following:

1. Installation of infrastructure by developers to serve new development projects.
2. Reimbursement for installation of some infrastructure from funds collected from impact fees.
3. Town sponsored improvement projects funded from Town general revenue.
4. Creation of special improvement districts.
5. Inter-jurisdictional projects in cooperation with state, county and other entities.

## TAX CONSIDERATIONS

Property taxes in the Town are higher than those in the area covered by this annexation policy. Property taxes imposed for general county purposes are the same whether the property is within or without the boundaries of the Town. The area covered by this annexation policy is within County Service Areas. A comparison of the property tax rates in the year 2018 is shown in the following table:

	Unincorporated Wasatch Co. Area	Town of Hideout
Wasatch County	.001445	.001445
Central Utah Water Conservancy	.000400	.000400
State Assess/Collection	.000121	.000121
Local Assess/Collection	.000210	.000210
County Bond	.000080	.000080
Multi County Assess/Collect	.000009	.000009
Basic ST School Levy	.001666	.001666
Wasatch School District	.004762	.004762
School District Bond	.001571	.001571
Charter School Levy	.000052	.000052
Library	.000174	.000174
Wasatch County Fire District	.000538	.000538
Health	.000101	.000101
Parks and Rec General	.000241	.000241
Town of Hideout		.000437
<b>TOTAL</b>	<b>.011254</b>	<b>.011691</b>

Source – Wasatch County Assessor’s Office

As an example of Summit County unincorporated 2018 tax rates, the Richardson Flat area taxes are shown in the table below:

	Unincorporated Summit Co. Area
Summit County	0.000831
Snyderville Basin Water	0
Local Assess/Collection	0.000169
Basin Bond	0.000291
Multi County Assess/Collect	0.000009
Basic ST School Levy	0.001666
Park City School District	0.002664
Park City Charter School	0.000039
Park City Fire District	0.000726
Mosquito	0.000030
Basin Recreation	0.000621
Municipal (County Provided Municipal Services)	0.000622
<b>TOTAL</b>	<b>0.007668</b>

Source – Summit County Auditor’s Office

While Hideout has one of the lowest property tax rates in Wasatch County, the property tax burden for existing residents will likely continue to increase as property taxes are used in part to fund Town services and the Town government.

### **COMMENTS FROM AFFECTED ENTITIES**

Representatives of affected entities as defined by state law are invited to attend public review sessions of this annexation policy and provide comments. Their attendance and any comments they provide are or will be recorded in the minutes of the Planning Commission and/or Town Council.

The affected entities are hereby informed they have opportunity to provide additional information for consideration by the Planning Commission and Town Council. State law allows affected entities to submit written comments to the Town for a period of ten days after the Planning Commission public hearing.

### **COMMENTS RECEIVED AT PUBLIC HEARINGS**

Comments received by the Planning Commission shall be recorded and filed with the minutes of any public hearing regarding the approval of this annexation policy.

### **GAPS AND OVERLAPS WITH SURROUNDING MUNICIPALITIES**

There may be gaps and overlaps between the areas covered by this annexation policy and similar policies adopted by neighboring municipalities. A review of other annexation policies indicates that no other municipality has an overlap with the Town of Hideout. State law does not require the gaps or overlaps in annexation policies of adjacent municipalities be eliminated.

## **CURRENT POPULATIONS FOR THE TOWN OF HIDEOUT AND SURROUNDING COMMUNITIES**

In adopting this annexation policy, the Planning Commission and Town Council considered the current populations of cities in the area. Populations are expected to grow in the future, albeit at a slower rate over the next five years.

### *2020 ESTIMATED POPULATION*

Town of Hideout	1,253
Wasatch County	32,741
Summit County	45,491
Kamas	2,246
Park City	9,358
Heber City	15,387

2012 Baseline Projections – Utah Governor’s Office of Management and Budget

## **FACILITIES NECESSARY TO PROVIDE MUNICIPAL SERVICES**

The Planning Commission and Town Council are aware that additional facilities may be needed in order to provide municipal services to the areas covered by this annexation policy. The anticipated facilities have been included above under Extension of Municipal Services.

## **CONSIDERATION OF GENERAL PLAN**

The Town Council finds that the information contained in this annexation policy is consistent with the goals and objectives of the other sections of the Town General Plan. This annexation policy promotes several of the goals of the entire General Plan.

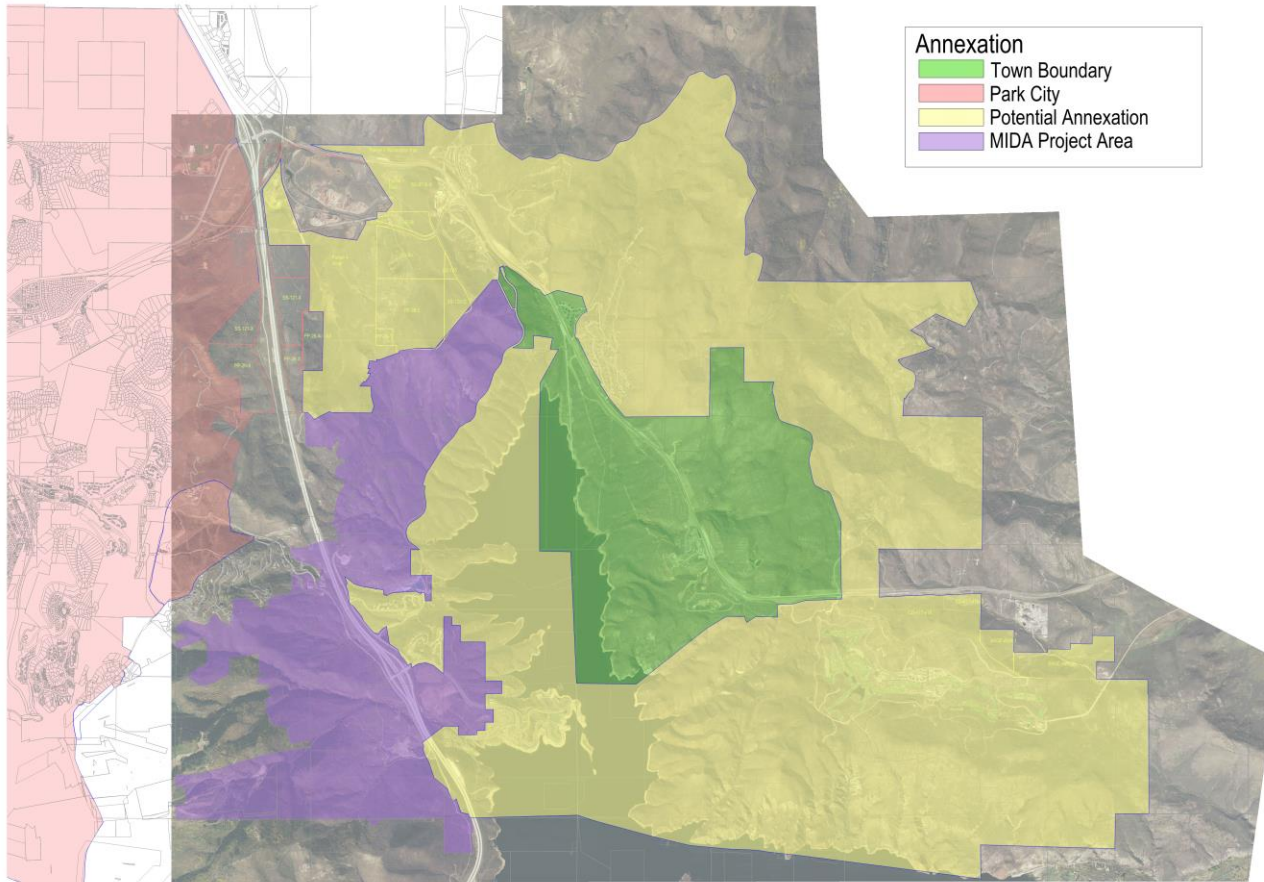
## **INCLUSION OF AGRICULTURAL LANDS, FORESTS, RECREATION AREAS, AND WILDLIFE MANAGEMENT AREAS**

The areas covered by this annexation policy are primarily intended for development. But where appropriate, the Town of Hideout is committed to preserving Open Space.

## ANNEXATION POLICY MAP

The area covered by this annexation policy is shown on the map in Figure 9.1. This map is an illustration of the Town of Hideout's *potential* annexation boundary and is not intended to establish precise dimensions and/or surveyed boundaries.

**FIGURE 9.1 – ANNEXATION MAP**





## APPENDIX A – PUBLIC COMMENT

The town received formal comments from the following entities:

- **Deer Vista, LLC**
  - *Deer Vista expressed a desire to not be annexed into Hideout and requested to be removed from the Annexation Map.*
  - Hideout acknowledges Deer Vista’s desire to not be annexed, and as Hideout has no interest in annexing property where the property owner(s) are not willing participants; we respect Deer Vista’s request. Hideout has no plans to initiate any annexation of Deer Vista.
  - Deer Vista is already in Hideout’s previous Annexation Declaration (from 2008) with no ill-effects to the property or it’s owners. An Annexation Map should not create islands of parcels that are not included; therefore, respectfully, Hideout will keep Deer Vista in the map. If in the future, Deer Vista’s circumstances and opinion alters, Hideout would welcome an annexation application from them.
  
- **Summit County**
  - *Summit County objected to any property in Summit County being included in the Annexation Map; siting current Summit County zoning, contaminated lands, and concern for growth in those areas (among others).*
  - Some of the parcels that are included are included at the request of property owners.
  - Hideout has removed from the map the contaminated lands in Quinn’s Junction.
  - If any Summit County parcels are included in a future Annexation Action, Hideout looks forward to collaborating with Summit County to ensure best use.
  
- **Wasatch County**
  - *Wasatch County objected to some of the stated goals of the Annexation Declaration. They also expressed concerns about the noticing effects to Wasatch County if these properties are included.*
  - Hideout agrees with some of the comments regarding the goals. Some of the goals are not specific to an annexation plan and have been removed.
  - Hideout is glad to hear that Wasatch County is supportive of reasonable, logical and manageable growth. Hideout welcomes a better partnership with Wasatch County, and will seek to partner with Wasatch County to help foster such a partnership.
  
- **JSSD**
  - *JSSD expressed concerns that Hideout may be seeking water and sewer options outside of JSSD. Further, there were concerns that JSSD would not be including in any planning for growth and capacity.*
  - Hideout acknowledges that JSSD is the water and sewer provider for the region, and Hideout has no intention to circumvent JSSD. As such Hideout has made significant changes to the document to reflect our desire to continue working cooperatively and collaboratively with JSSD as the town grows.

- **Park City**
  - *Park City objected to the process Hideout had taken in our approval process for this document. Further, they objected to Park City owned parcels being included in the annexation map.*
  - Hideout agreed to restart the process to ensure that all affected entities had a chance to weigh in. Further, Hideout has invited all our regional partners to help establish a vehicle for better dialog and cooperation.
  - Hideout has removed all Park City owned parcels from the map and have removed the parcel where the Richardson Flats parking structure exists.
  
- **Extell Mayflower Developer, LLC**
  - *Extell objected to be included in the annexation map siting land-use and jurisdictional legalities.*
  - Hideout concurs that the law gives MIDA pseudo municipality authority, and as such is immune to annexation by a neighboring municipality. Hideout has removed all MIDA property outside of Hideout's current town boundaries.
  
- **SkyRidge Development, LLC and Jordanelle Land Investors, LLC**
  - *Both entities objected to be included in the annexation map.*
  - Hideout understands the nature of the request and as both properties exist within the MIDA project area (a municipality by definition), Hideout has removed these properties from the map.
  
- **Susan S. LeGlise, Ed.D – Private Resident of Deer Mountain**
  - *Dr. LeGlise expressed concerns about the value any annexation would bring to Deer Mountain and requested that Deer Mountain to be removed from the Annexation Map.*
  - Deer Mountain is already in Hideout's previous Annexation Declaration (from 2008) with no ill-effects to the property or it's owners. An Annexation Map should not create islands of parcels that are not included; therefore, respectfully, Hideout will keep Deer Mountain in the map.

# **Agenda Item #8**

**DISCUSSION DRAFT**

FIBER COMMUNICATIONS SERVICE CONTRACT

Dated as of \_\_\_\_\_, 2019

between

UTAH INFRASTRUCTURE AGENCY

and

HIDEOUT, UTAH

**Table of Contents**

ARTICLE I DEFINITIONS .....3

ARTICLE II CONNECTION SERVICES AND ACQUISITION OF IMPROVEMENTS  
6

Section 2.1 Connection Services.....6

Section 2.2 Availability. ....6

Section 2.3 Acquisition, Date of Commencement and Substantial Completion. ....6

Section 2.4 Price of Improvements.....7

Section 2.5 Cost Overruns. ....7

Section 2.6 Residential Installations.....7

Section 2.7 Non-Residential Installations.....8

Section 2.8 Acceptance.....8

Section 2.9 Repair.....8

Section 2.10 Electronics Maintenance.....8

Section 2.11 Electronics Replacement.....8

Section 2.12 Utility Locating.....8

Section 2.13 Ownership of Improvements.....8

ARTICLE III PAYMENT FOR CONNECTION SERVICES; DISTRIBUTION OF  
REVENUES 9

Section 3.1 Determination of Payment/Revenue Distribution.....9

Section 3.2 Obligation is Absolute. ....9

Section 3.3 Town Reserve Fund. ....10

Section 3.4 Special Limited Obligation.....10

Section 3.5 Default in Payment. ....11

Section 3.6 Use of Sales Tax Revenues and Town-Appropriated Revenues. ....11

Section 3.7 Replacement of Town Obligations .....13

Section 3.8 Succession Proceedings.....13

Section 3.9 Remedies.....13

Section 3.10 No Exclusive Remedy.....13

Section 3.11 Right of Designee to UIA to Exercise Remedies.....14

Section 3.12 Town not Obligated for UIA Debt.....14

Section 3.13 Billing and Collection by UIA.....14

Section 3.14 Disposition at Termination. ....14

Section 3.15 After this Contract has expired in accordance with its terms, unless  
otherwise agreed to by the Parties, all Revenues generated under this  
Contract shall belong solely to UIA, less payments due to the Town under  
any Promissory Note or other obligation arising out of this Contract. ....14

Section 3.16 Exclusive Use.....14

Section 3.17 System Capacity.....15

Section 3.18 Service Providers.....15

Section 3.19 Network Operations Center (NOC) Services.....15

Section 3.20 Network Engineering Services.....15

Section 3.21	Field Technician Services.....	15
Section 3.22	Town Connections.....	15
Section 3.23	Customer Service.....	15
Section 3.24	Technical Support.....	15
Section 3.25	IT Systems.....	16
Section 3.26	Geographic Information System (GIS).....	16
ARTICLE IV APPROVAL AND PUBLICATION REQUIREMENTS.....		16
Section 4.1	Submission to Authorized Attorney.....	16
Section 4.2	Publication.....	16
ARTICLE V GENERAL PROVISIONS.....		16
Section 5.1	Acquisition and Construction of the Improvements.....	16
Section 5.2	Risk of Loss.....	16
Section 5.3	Several Obligations.....	16
Section 5.4	Liability Dedication.....	17
Section 5.5	Books and Records.....	17
Section 5.6	Relationship to Other Instruments.....	17
Section 5.7	Liabilities.....	17
Section 5.8	Assignment.....	17
Section 5.9	Furnishing Service to Others.....	18
Section 5.10	Uncontrollable Forces.....	18
Section 5.11	Communications Enterprise.....	18
Section 5.12	Imposition and Collection of Fees.....	18
Section 5.13	Cable Television Services and Public Telecommunications Services.....	18
Section 5.14	Entire Agreement.....	18
Section 5.15	Amendments.....	18
Section 5.16	Effective Date and Original Term; Termination.....	19
Section 5.17	Notice.....	19
Section 5.18	Third-Party Beneficiaries.....	19
Section 5.19	Governing Law.....	19
Section 5.20	Execution in Counterparts.....	20
Section 5.21	Severability.....	20
EXHIBIT A CONNECTION SERVICES.....		1
EXHIBIT B DESCRIPTION OF IMPROVEMENTS.....		1
EXHIBIT C MAP OF MAINLINE SYSTEM.....		1
EXHIBIT D FORM OF PROMISSORY NOTE.....		1

## FIBER COMMUNICATIONS SERVICE CONTRACT

This Fiber Communications Service Contract (the “Contract”) is entered into as of \_\_\_\_\_, 2019, by and between the Utah Infrastructure Agency (“UIA”), an interlocal cooperative and separate legal entity, body politic and corporate and a political subdivision of the State of Utah, organized under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and Hideout, Utah (the “Town”), a municipal corporation and a political subdivision of the State of Utah (UIA and the Town are sometimes referred to individually as a “Party” and collectively as “Parties” herein).

### R E C I T A L S

1. Pursuant to Section 10-8-14, Utah Code Annotated 1953, as amended, cities may construct, maintain, and operate telecommunication lines and cable television lines.

2. Pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), cities may exercise and enjoy jointly with other cities any power, privileges or authority exercised or capable of exercise by a city.

3. The Interlocal Act permits local governmental units to make the most efficient use of their power by enabling them to cooperate with other local governmental units on the basis of mutual advantage and thereby to provide services and facilities in a manner and under forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs of development of local communities and will provide the benefit of economy of scale, economic development, and utilization of natural resources for the overall promotion of the general welfare of the State of Utah.

4. Pursuant to the Interlocal Act, certain municipalities organized UIA to provide for the acquisition, construction, and installation of facilities, fiber wires and equipment together with related improvements for the purpose of connecting properties within such municipalities and elsewhere to an advanced fiber optic communications network (the “UIA Network”).

5. UIA is a separate legal entity, body politic and corporate and a political subdivision of the State of Utah regularly created, established, organized and existing under and by virtue of the provisions of the Interlocal Act and of the Constitution of the State of Utah.

6. The Town has determined that there is a need within the Town to provide Connection Services (as herein defined) to its residents.

7. UIA has determined that it has excess capacity in the UIA Network to provide the Connection Services and desires to offer such excess capacity to the Town.

8. The Town now desires to cause to be acquired, installed, constructed and completed an advanced fiber optic communications network to serve residents of the Town

through the undertaking of the improvements contemplated hereby (as more fully described herein, the “Improvements”) and desires further that UIA shall acquire and install said Improvements and to pledge to UIA and remit to the hereinafter defined Trustee an amount of its sales tax revenues and franchise tax revenues (as hereinafter defined) to accomplish the objectives set forth herein.

9. The Improvements will be owned by UIA (as more particularly described herein, the “UIA-Owned Improvements”).

10. It is the intention of the Parties that the Improvements to provide the Connection Services be operated and managed for the mutual benefit of the Parties and that the Town will pay or cause to be paid fees to UIA calculated in accordance with Section 3.1 of this Contract. The amounts paid by the Town hereunder do not constitute a purchase of any assets or facilities owned by UIA, and are made solely in consideration for the Connections Services provided by UIA to the Town.

11. The Connections Services provided under this Contract are not Cable Television Services or Public Telecommunications Services as defined in the Municipal Cable Television or Public Telecommunications Services Act, Title 10, Chapter 18, Utah Code Annotated 1953, as amended (the “Telecommunications Act”).



## AGREEMENT

In consideration of the acquisition and installation of the Improvements and the Connection Services herein provided, the benefit the Town shall receive from such activities and the mutual covenants contained herein, the Parties agree as follows:

### ARTICLE I DEFINITIONS

In addition to the defined terms defined in the recitals and elsewhere in this Contract, the following terms, whether in the singular or in the plural, when used herein and in the exhibits hereto, shall have the meanings set forth below:

“Aggregation Site(s)” means the real property or easement on real property on which the Hideout Fiber Hut(s) will be located.

“Agreed Upon End Users” means the number of End Users to be provided services pursuant to this Contract to satisfy the Town’s obligation to meet the UIA Revenue Requirement, which shall be 164 End Users. UIA estimates that the Agreed Upon End Users are expected to produce approximately \$82,500.00 of Revenues annually.

“Capital Costs” means (a) the payment of any obligations incurred by UIA to finance or refinance the costs of the Improvements, and (b) amounts required to be deposited from time to time into required reserves established in connection with any financing referenced in (a) above.

“City Fees” means fees paid by the Town to UIA for the provision of Connection Services to Town owned facilities or resources at the Product Catalog wholesale rates of UIA pursuant to Section 3.22 below.

“City Fiber Hut(s)” means the shelter(s), electronics, switches, routers, fiber terminations, conduits, cables, racking, generator, UPS units, cooling systems, and other support systems to support the Mainline System, Interconnect(s), and other future potential interconnects located on the Aggregation Site.

“City Network” means fiber optic lines, connection lines and related improvements acquired and constructed by UIA together with the acquisition by UIA of access rights and capacity in the UIA Network and UTOPIA Network and access rights and capacity in other networks within the Town or for the benefit of the Town.

“Communications Enterprise” means the enterprise established by the Town pursuant to the Uniform Fiscal Procedures Act for Utah Cities, Title 10, Chapter 6, Utah Code Annotated 1953, as amended, to facilitate the providing of high speed communications services through the City Network to new End Users within the Town pursuant to this Contract.

“Connection Services” means the wholesale services provided by UIA to the Town pursuant to this Contract whereby End Users within the Town have access to the

Improvements through which they may contract with private providers to receive the Cable Television Services and Public Telecommunication Services (as those terms are defined in the Telecommunications Act) provided through the City Network. The term Connection Services includes Connection Services Capacity and is more particularly described in Exhibit A attached hereto and incorporated herein.

“Connection Services Capacity” means the access rights to and capacity in the City Network.

“Contract” means this Fiber Communications Service Contract as the same may be amended from time to time in accordance with Section 5.15 herein.

“End Users” means those residential end users to be provided services pursuant to this Contract.

“Fiscal Year” means a period commencing on July 1 and ending on the next succeeding June 30.

“Franchise Tax Revenues” means all franchise tax revenues received by the City pursuant to Title 10, Chapter 1, Part 3, Utah Code Annotated 1953, as amended, in an amount up to \$82,500.00 annually.

“Hook-up Lease Revenues” means the revenues that are generated pursuant to the Hook-up Leases.

“Hook-up Leases” means any and all agreements between the Town or UIA and each End User that allows such End User to connect to the City Network. The monthly fee charged to an End User in the Town for a Hook-up Lease will not exceed \$42.00 without a written agreement between the Town and UIA. The monthly fee charged to an End User in the Town for a Hook-up Lease may be decreased to \$30.00 upon mutual agreement of the Parties in writing if the total number of End Users in the Town is greater than 230.

“Improvements” means those facilities, improvements, and access, lease, use and/or capacity rights acquired, constructed, and/or installed, operated and maintained by UIA within the Town or specifically undertaken for the benefit of the Town to provide Connection Services to and within the Town to the End Users pursuant to this Contract, as more fully described in Exhibit A attached hereto, and incorporated herein.

“Interconnect” means the fiber route(s) between the UTOPIA Network backbone and the connection point to the Mainline System.

“Mainline System” means all of the newly installed fiber, conduits, handholes restorations and other materials along the roads and within the Town limits as depicted in Exhibit C hereto.

“Non-residential Fees” means fees paid to UIA by non-residential customers on the City Network. Non-residential customers will not be required to enter into a Hook-up Lease.

“Operating Contingency” means an unplanned event or circumstance, a series of events or circumstances, or any restriction or condition imposed by any governmental authority which reduces and materially adversely affects access to the Improvements.

“Original Term” has the meaning ascribed to such term in Section 5.16 hereof.

“Revenues” means the Service Fees, City Fees, Non-residential Fees, and the Hook-up Lease Revenues generated from services through the City Network to End Users within the Town pursuant to this Contract.

“Sales Tax Revenue” means all sales tax revenue that the Town collects under Sections 59-12-Part 2 of the Utah Code Annotated 1953, as amended, in an amount up to \$41,250.00 annually.

“Service Fees” means all fees (other than fees relating to the Hook-up Leases) that may be charged by or on behalf of the Town to the End Users of the Improvements. The Service Fees of the Town shall be payable to UIA in consideration for the Connection Services provided by UIA to the Town pursuant to this Contract. The Service Fees shall be calculated and paid pursuant to Article III of this Contract. Service Fees do not include any Hook-up Lease Revenues.

“Shortfall Payment” means payment by the Town to UIA in satisfaction of any obligation that may arise pursuant to Section 3.1, Section 3.2, Section 3.3, or Section 3.6.

“Supplemental Indenture” means the supplemental indenture to that certain General Indenture of Trust dated as of [\_\_\_\_\_], 2018 between UIA and \_\_\_\_\_.

“Town” means the Town of Hideout, Utah.

“Trustee” means the entity serving as trustee under the Supplemental Indenture entered by UIA.

“UIA” means the Utah Infrastructure Agency, a separate legal entity, body, politic and corporate and a political subdivision of the State of Utah, created pursuant to the Interlocal Act.

“UIA Network” means fiber optic lines, connection lines and related improvements and facilities acquired, constructed and owned by UIA, including all access rights and capacity in the UTOPIA Network and access rights and capacity in other networks.

“UIA-Owned Improvements” means the City Fiber Hut(s), Interconnect(s), conduits, fiber cables, enclosures, and electronics constructed within the Town under the terms of this Contract.

“UIA Revenue Requirement” means the sum of all Capital Costs of UIA relating to the Improvements during each Fiscal Year or other applicable period. The annual UIA Revenue Requirement is \$82,500.00.

“Uncontrollable Forces” means any cause beyond the control of the Party affected, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbances, labor disturbance, sabotage, and restraint by court or public authority.

“UTOPIA” means the Utah Telecommunication Open Infrastructure Agency, a separate legal entity, body, politic and corporate and a political subdivision of the State of Utah, created pursuant to the Interlocal Act.

“UTOPIA Network” means UTOPIA’s wholesale telecommunications network, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said network.

“UTOPIA Product Catalog” means the catalog of products and services maintained by UIA.

## ARTICLE II

### CONNECTION SERVICES AND ACQUISITION OF IMPROVEMENTS

Section 2.1 Connection Services. UIA shall provide to and within the Town and the Town shall receive from UIA, Connection Services, including Connection Services Capacity, sufficient to allow not less than the Agreed Upon End Users benefitting from the Improvements within the Town to connect to the City Network. All construction work performed by or on behalf of UIA within the Town shall be pursuant to the terms of a franchise agreement between UIA and the Town, any construction or grading permits required by the Town, and any design standards adopted by the Town by ordinance at the time that the construction work is performed.

Section 2.2 Availability. UIA shall provide continuous Connection Services barring only emergency or scheduled downtime, curtailments, and Operating Contingencies.

Section 2.3 Acquisition, Date of Commencement and Substantial Completion.

(a) UIA shall undertake and perform all of the work associated with the acquisition, installation, construction and completion of the Improvements. The date of commencement of the work relating to the Improvements shall be the date of full execution and delivery of this Contract or if provision is made for a later date to be fixed in a notice to proceed issued by the Town, that fixed date.

(b) UIA shall achieve substantial completion of the Improvements, which will allow at least 90% of the End Users within the areas depicted in green on Exhibit C to sign up and schedule installation for services under UIA’s typical process and timeframes, not later than 270 days from the date of commencement.

(c) UIA will complete construction to End Users within the areas depicted in red on Exhibit C or any future annexed areas of the Town whenever at least 50% of such extension may be completed through open trench opportunities or conduit placed by a developer. UIA may evaluate and construct extensions of the City Network under other conditions as UIA deems feasible in its sole discretion. Construction to End Users within the areas depicted in red on Exhibit C or any future annexed areas of the Town will not increase the GMP, as defined in Section 2.4 or require additional commitment from the Town pursuant to Section 3.3 or Section 3.6.

(d) The Town shall provide a parcel of real property or an easement to a parcel of real property to site each of the required Aggregation Sites, and all required City Fiber Huts, within 30 days from the date of commencement.

Section 2.4 Price of Improvements.

(a) The Town and UIA agree that the Guaranteed Maximum Price (the “GMP” or the “Contract Sum”) for the Contract will be One Million Ninety-eight Thousand Dollars (\$1,098,000.00) (broken out as follows: Nine Hundred Thirty-four Thousand Dollars (\$934,000.00) for the Mainline System, including the City Fiber Hut(s); One Hundred Sixty-four Thousand Dollars (\$164,000.00) for installations. This GMP is based on the acquisition, installation, construction and completion of the Improvements more particularly set forth in Exhibit B hereto.

(b) In addition to the GMP, the UIA Revenue Requirement includes UIA’s costs to finance construction of the Improvements subject to the GMP, which includes the following financing costs: proportional costs of issuance of Twenty-four Thousand Three Hundred Dollars (\$24,300.00), and two years of capitalized interest of One Hundred Twenty-two Thousand Dollars (\$122,000.00). As part of the UIA Revenue Requirement, the Town also agrees to pay interest at the rate paid by UIA to finance construction, which is 4.35% annually.

Section 2.5 Cost Overruns. UIA shall be solely responsible for the acquisition, installation, construction and completion of the Improvements and Connection Services and shall also be responsible for any cost overruns above and beyond the GMP set forth in Section 2.4 hereof.

Section 2.6 Residential Installations. UIA will perform residential installations to subscribed locations within the City Network as part of the Hook-up Lease entered into with an End User. Installations include the typical signup process available through UIA’s online ordering system, scheduling, materials and labor for the placement of drop conduit, fiber cable, splicing, indoor fiber termination electronics, and a single Cat5e installation to the subscriber’s router. Only a standard UIA installation based on a lowest-cost-path is included in the Hook-up Lease. Alternative routes, cable fishing, or subscriber preferences that increase the expense of UIA’s standard installation may be negotiated with UIA or a UIA approved contractor on a case-by-case basis at the subscriber’s expense.

Section 2.7 Non-Residential Installations. Non-residential customers are not End Users, and UIA will perform non-residential (i.e. business) installations at UIA's own expense based on the terms of the then-current UTOPIA Product Catalog.

Section 2.8 Acceptance. UIA will provide as-built drawings, inspection reports, and test documentation of the completed Improvements to the Town within 10 business days after receiving a written request from the Town.

Section 2.9 Repair. UIA will be responsible for repairing or replacing any conduit, fiber, or system electronics that become damaged or defective from normal wear and use of City Network assets. In the event that another party is responsible for the damage, including but not limited to traffic accidents, construction, and relocations, UIA will pursue compensation from the responsible party. In the event that repair/replacement costs are not recoverable from a third party, including but not limited to vandalism, natural disaster, acts of God, or inability to identify responsible party, UIA will be responsible for repair costs.

Section 2.10 Electronics Maintenance. UIA is responsible for maintaining the electronics of the City Network, including aggregation switches, subscriber demarcation devices, and transceivers.

UIA is responsible for maintaining the support systems including cabinet, battery backup systems, generator, transfer switches, and air conditioners.

UIA will perform regular maintenance on the electronics and support systems including configuration updates, code updates, firmware updates, cleanings (as necessary), refueling, battery replacement, and other tasks needed to keep the City Network in working condition.

Section 2.11 Electronics Replacement. UIA agrees to keep the electronics components of the City Network current with industry standards and competitive options. UIA commits that all electronics components of the City Network are new or like-new condition and meet current standards at the time of installation. All electronics components of the City Network will support 1 Gbps speeds throughout the City Network. The City Network will also be designed so that 10 Gbps service can be available anywhere within the City Network with only a change of electronic interfaces so that the option to upgrade to 10 Gbps service is available anywhere in the Town.

During the term of this Contract, UIA agrees to upgrade or replace at its own expense the electronics components of the City Network as necessary to support the same product availability as is generally available in other UIA member or partner cities.

Section 2.12 Utility Locating. UIA will provide utility locating services directly or via sub-contractor for the City Network through the duration of this Contract.

Section 2.13 Ownership of Improvements. It is agreed and understood that all real and personal property constituting the UIA-Owned Improvements shall be owned by UIA.

## ARTICLE III

### PAYMENT FOR CONNECTION SERVICES; DISTRIBUTION OF REVENUES

#### Section 3.1 Determination of Payment/Revenue Distribution.

(a) In consideration for all of the services provided by UIA hereunder, the Town agrees to pay or have paid to UIA or its successor or assigns for each Fiscal Year, if then due and owing, an amount to UIA equal to the UIA Revenue Requirement beginning 2 years after the date of execution of this Contract.

(b) In consideration for the providing of Connection Services by UIA, the Town shall pay or have paid to UIA or its successor or assigns for each Fiscal Year, if then due and owing, all of the Revenues received for such services during said Fiscal Year, to be paid and remitted to UIA or its successor or assigns on a monthly basis in accordance with Section 3.4. Subject to Section 3.2(b) hereof, such Revenues are anticipated to commence when the Town is provided with Connection Services related to the Improvements and when one or more Agreed Upon End Users have been charged for Hookup Leases or Service Fees. The Town or UIA on behalf of the Town shall charge or caused to be charged to all End Users Hookup Leases and Service Fees and shall remit or UIA on behalf of the Town shall collect and remit all Revenues to UIA on a monthly basis and in accordance with Section 5.12 hereof.

(c) Upon receipt of the City Fees, UIA will apply the City Fees toward the payment of the UIA Revenue Requirement.

(d) UIA shall on behalf of the Town, impose and collect fees and charges for the Hook-up Leases and will apply such Hook-up Lease Revenues toward the payment of the UIA Revenue Requirement.

(e) Upon receipt of the Non-residential Fees, UIA will apply 50% of the Non-Residential Fees toward the payment of the UIA Revenue Requirement.

(f) Upon termination of this Contract in accordance with Section 5.16 hereof, all Revenues will become revenues of and belong to UIA.

#### Section 3.2 Obligation is Absolute.

(a) The Town hereby pledges the Revenues and grants a security interest in and a first irrevocable lien on the Revenues as security for payment of the UIA Revenue Requirement and the Town hereby agrees to apply the Revenues as payment for the UIA Revenue Requirement.

(b) Subject to the provisions of Section 3.4 hereof limiting the sources of payment hereunder, the Town's payment obligations hereunder to UIA for Connection Services and other services hereunder and related to the Improvements pursuant to this Article III shall be irrevocable, absolute and unconditional and shall

not be subject to any reduction, whether by defense, recoupment, counterclaim, set off, termination, or offset or otherwise, and shall not be conditioned upon the construction, performance or non-performance of the Improvements by UIA, the remedy for non-performance being limited to mandamus, specific performance or equitable remedy. Notwithstanding the foregoing, it is not intended that the Town by this Contract assume any obligation or liability as a guarantor, endorser, surety, or otherwise with respect to any obligations incurred by UIA with respect to the Improvements.

### Section 3.3 Town Reserve Fund.

(a) The Town agrees that it will place \$82,500.00 in reserve as security (the "Town Reserve Fund") for the Town's obligations to UIA in the event and to the extent there shall be a shortfall in the amounts accounted for in Section 3.1(c)-(e), such that UIA shall not have sufficient moneys from the amounts accounted for in Section 3.1(c)-(e) to pay the UIA Revenue Requirement when due (a "Shortfall") and is unable to pay the UIA Revenue Requirement pursuant to the terms of Section 3.6. The Town hereby pledges and agrees to advance to UIA a Shortfall Payment from the Town Reserve Fund by remitting such Shortfall Payment to UIA in an amount equal to the Shortfall within 30 days of receiving written notice from UIA or the Trustee of a Shortfall. The Town will fund the Reserve Fund within ninety (90) days of the date of execution of this Contract.

(b) The Town Reserve Fund will be held by the Trustee, pursuant to instructions providing for payment to UIA from the Town Reserve Fund consistent with the terms of this Contract.

(c) The Town's obligation to maintain the Town Reserve Fund will expire upon the earlier of (i) 5 years from the date of commencement of the project or (ii) the date that 230 end users are receiving service on the City Network.

(d) Under no circumstances will the Town Reserve Fund be permitted to earn interest at a rate higher than the interest rate paid by UIA for the financing of the Capital Costs.

Section 3.4 Special Limited Obligation. The Town agrees to pay the Revenues due to UIA for Connection Services and other services hereunder related to the Improvements in monthly installments. Subject to Section 3.6 herein, the Town's obligations to make monthly payments pursuant to this Section 3.4 shall constitute an obligation payable solely from Revenues. In no event shall the obligations of the Town hereunder be construed as a general obligation or indebtedness of the Town within the meaning of any constitutional or statutory limitation or provision or payable from ad valorem property taxes of the Town. The Parties acknowledge and agree that such payments shall be made out of the enterprise fund established with respect to the Town's Communications Enterprise. Each monthly installment shall be due and payable by the Town to UIA not later than the fifteenth day of the next succeeding month. A final accounting of all transactions between UIA and the Town in each Fiscal Year shall be



rendered to the Town by UIA on or before the 90th day of the succeeding Fiscal Year. The final accounting shall specify the amount, if any, which the Town must pay to UIA to reconcile total monthly payments with actual amounts due UIA with Revenues indicated by an underpayment or overpayment to be made by the Town or UIA respectively, which amount shall be payable to UIA no later than 30 days after the receipt of the final accounting.

Section 3.5 Default in Payment. If the Revenues are not paid in full on or before the close of business on the fifteenth day of the month in which said Revenues are due, an interest charge will be made at the rate of ten percent (10%) per annum or the maximum rate of interest legally chargeable, whichever is less. If all or a portion of the Revenues remain unpaid subsequent to the fifteenth day of the month in which the Revenues are due, UIA may, upon giving thirty (30) days' advance written notice calculated from the date of receipt of such notice by the Town, discontinue Connection Services and other services hereunder to the Town unless, and may refuse to resume said services to said Town until, the delinquent installment has been paid. From and after the effective date of such notice, UIA may, in its sole discretion, not provide Connection Services or other services hereunder to the Town.

Section 3.6 Use of Sales Tax Revenues and Franchise Tax Revenues.

(a) In the event and to the extent there shall be a Shortfall, and if UIA shall for any reason fail to cure such Shortfall on behalf of the Town, the Town hereby pledges and agrees to advance to UIA a Shortfall Payment of Sales Tax Revenues and Franchise Tax Revenues of the Town by remitting such Shortfall Payment to UIA in an amount equal to the difference between the UIA Revenue Requirement and the amounts accounted for in Section 3.1(c)-(e).

(b) On or prior to each January 1 and July 1 commencing January 1, 2022, UIA shall determine:

(i) the UIA Revenue Requirement due on the next succeeding March 15 or September 15, as applicable, and

(ii) the amount of Revenues UIA reasonably believes will be available for payment of the UIA Revenue Requirement on said March 15 or September 15. In addition, UIA shall inform the Trustee and the Town of any Shortfall and shall, on or prior to each January 15 or July 15 as applicable, submit a request to Town to remit to UIA, Sales Tax Revenues and Franchise Tax Revenues equal to the Shortfall described and calculated in accordance with the provision set forth above. The Town agrees to pay the Shortfall to UIA no later than the next succeeding March 15 or September 15, as applicable.

(c) If for any reason UIA or the Town fails to comply with their obligations under Section 3.6(b) of this Contract, UIA will, at any time during which a Shortfall exists, submit a request to the Town to remit Sales Tax Revenues

and Franchise Tax Revenues equal to the Shortfall described and calculated in accordance with the provision set forth above. The Town agrees to pay the Shortfall to the Trustee no later than the next succeeding March 15 or September 15, as applicable. UIA covenants to take such other action as it lawfully may take to assure that the Town remits to the Trustee from Franchise Tax Revenues and Sales Tax Revenues any Shortfall pursuant to this Contract.

(d) If for any reason UIA or the Town fails to comply with their obligations under Section 3.6(b) of this Contract, the Trustee pursuant to Section \_\_\_\_\_ of the Supplemental Indenture will, at any time during which a Shortfall exists, submit a request to the Town to remit the Sales Tax Revenues and Franchise Tax Revenues equal to the Shortfall described and calculated in accordance with the provision set forth above. The Town agrees to pay the Shortfall to the Trustee no later than the next succeeding March 15 or September 15, as applicable.

(e) The Town may create or incur additional debt or other obligations secured by a pledge of the Town's sales tax revenues or franchise tax revenues on a parity with the pledge created pursuant to this Section 3.6 so long as the Town's total revenues from sales tax and total revenues from franchise tax revenues during the Fiscal Year immediately preceding the Fiscal Year in which the additional parity debt or obligation is to be issued or incurred, as appropriate, are not less than 150% of the maximum annual debt service in any given Fiscal Year on the sum of (i) the debt service on the additional parity debt or obligation plus (ii) debt service on any debt or other parity obligation previously issued or incurred by or for the benefit of the Town and payable from or secured by franchise tax revenues, as appropriate, and outstanding plus (iii) the debt service on any bonds or other parity obligations issued by UIA and payable from amounts paid or received under this Contract, tested for the period of such additional debt or other parity obligation.

(f) All Sales Tax Revenues and Franchise Tax Revenues paid by the Town to the Trustee or UIA or its designee pursuant to Section 3.3 or Section 3.6 shall constitute a loan by the Town to UIA which shall be paid by UIA at the time and in the manner as provided in the form of a promissory note attached hereto as Exhibit D from future revenues of UIA. The Town shall be entitled to interest on each loan advance from the date said advance is made by the Town to the Trustee or UIA or its designee, at the per annum rate equal to the rate of return at the Utah Public Treasurer's Investment Fund in effect at the time of execution and delivery of the promissory note, unless by agreement of the Town and UIA a lesser interest rate is set forth in the executed promissory note for said loan. The Town acknowledges that the loan obligation incurred by UIA herein shall be repaid only from Revenues generated from the City Network and shall be subordinate and junior to UIA's other payment obligations. Payment obligations represented by a promissory note shall survive termination of this Contract until paid in full or otherwise extinguished.

(g) During the term of this Contract, the Town covenants that it will not, unless directed to do so by the State of Utah or a court of competent jurisdiction, reduce the rate of the tax from which it derives Sales Tax Revenues or Franchise Tax Revenues.

Section 3.7 Replacement of Town Obligations. UIA may, in its sole discretion, release the Town's obligations under Section 3.3, or Section 3.6 if the Town obtains a sufficient alternative guarantee of its ability to pay any Shortfall through contractual agreement with a third-party or third-parties ("Alternative Guarantee"). Any Alternative Guarantee must meet the following conditions before UIA will consider releasing the Town's obligations under Section 3.3 or Section 3.6:

(a) A proposed Alternative Guarantee must satisfy the Town's obligation to pay the UIA Revenue Requirement in full;

(b) A proposed Alternative Guarantee must provide for a reserve fund in an amount equal to the amount provided in Section 3.3; and

(c) Any third-party partner to an Alternative Guarantee must demonstrate at least three years of financial ability to pay the UIA Revenue Requirement in full.

Section 3.8 Succession Proceedings. UIA or its designee shall have the right from time to time to begin and maintain successive proceedings against the Town for the recovery of all Revenues or Shortfalls required to be made under this Contract by the Town and to recover the same upon the liability of the Town herein provided. Nothing herein contained shall be deemed to require UIA to defer commencement of any such proceeding until the end of the term of this Contract.

Section 3.9 Remedies. UIA or its designee may take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable by the Town hereunder, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Town under the provisions of this Contract. Such action may include, but is not limited to, suspension or termination of services to the Town for Town purposes. The Town may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of UIA under the provisions of this Contract.

Section 3.10 No Exclusive Remedy. No right or remedy herein conferred upon or reserved to UIA or its designee or the Town is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing. The failure of UIA or its designee or the Town to insist at any time upon the strict observance or performance by the other parties to this Contract of any of the provisions of this Contract, or to exercise any right or remedy provided for in this Contract, shall not impair any such right or remedy nor be construed as a waiver or relinquishment thereof for the future. Receipt by UIA or its designee of any payments required to be made under this Contract

with knowledge of the breach of any provisions of this Contract, shall not be deemed a waiver of such breach. In addition to all other remedies provided in this Contract, UIA or its designee or the Town shall be entitled, to the extent permitted by applicable law, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the provisions of this Contract, or to a decree concerning performance of any of the provisions of this Contract, or to any other remedy legally allowed. If any proceeding shall be brought for the enforcement of any right or remedy provided for in this Contract in which it shall be determined that the Town shall have failed and continued to fail to make a payment of any amount due under this Contract at the time of commencement thereof, the Town shall pay UIA or its designee all expenses incurred in connection therewith including, without limitation, reasonable attorneys' fees and expenses. In like manner, if it should become necessary for the Town to bring legal proceedings against UIA or its designee to enforce any right given it hereunder, the Town shall have the right, if it is successful in such proceedings, to the payment by UIA of all expenses incurred in connection therewith including, without limitation, reasonable attorneys' fees, and expenses.

Section 3.11 Right of Designee to UIA to Exercise Remedies. At any time UIA or its designee is entitled to enforce any of the rights or remedies provided for in this Contract, the designee may proceed, either in its own name and as trustee of any express trust or otherwise, to protect and enforce its rights and those of UIA under this Contract, whether or not UIA shall have complied with any of the provisions hereof or proceeded to take any action authorized or permitted under applicable law. Such rights and remedies as are given UIA hereunder shall also extend to its designee and the designee shall be entitled to the benefit of all covenants and agreements in this Contract contained.

Section 3.12 Town not Obligated for UIA Debt. All obligations of UIA are payable solely by UIA and are not a debt or other obligation of the Town; *provided however*, that nothing in this Section 3.12 shall be construed as limiting the Town's obligations under Sections 3.1 through 3.6 of this Contract.

Section 3.13 Billing and Collection by UIA. For purposes of expediency and efficiency, UIA will provide billing and collection services for Connection Services and Hook-up Leases to the End Users on behalf of the Town. Revenues received by UIA from such activities are properly allocable and will be allocated to UIA and to the Town as provided in this Contract.

Section 3.14 Disposition at Termination. After this Contract has expired in accordance with its terms, unless otherwise agreed to by the Parties, all Revenues generated under this Contract shall belong solely to UIA, less payments due to the Town under any Promissory Note or other obligation arising out of this Contract.

Section 3.16 Exclusive Use. UIA will have exclusive use of the City Network for purposes of providing services directly or in partnership with service providers approved by UIA to subscribers of the City Network. Third parties may only utilize the system in partnership with UIA.

Section 3.17 System Capacity.

(a) UIA has determined that it has excess capacity in the UIA Network to provide the Connection Services and that it will make such capacity available to the Town.

(b) UIA agrees to provide a minimum of 20 Gbps of network capacity to the City Fiber Hut(s) upon acceptance of the completion of the City Fiber Hut(s). UIA agrees to maintain at least 30% headroom of unused capacity to the Aggregation Site and will at its own expense monitor and upgrade the capacity to the Aggregation Site of the City Network if it exceeds 70% utilization based on a 95%/5min interval monthly calculation.

Section 3.18 Service Providers. UIA will make the City Network available to all of its contracted service providers under the same terms and conditions as in other cities. Such service providers are not obligated to provide services within the Town.

Section 3.19 Network Operations Center (NOC) Services. UIA agrees to provide monitoring of the City Network on a 24/7 basis from its NOC. This includes device monitoring, outage notifications, configuration of devices, diagnostics, repair dispatch, and other services as generally provided by the NOC.

Section 3.20 Network Engineering Services. UIA will maintain the configurations, code, and design of the City Network to ensure that it meets the needs of the City Network. Additionally, UIA agrees to provide network design services to the Town for the purposes of interconnecting the Town.

Section 3.21 Field Technician Services. Field technician services will be provided by UIA during the term of this Contract. Such services include dispatch and resolution services.

Section 3.22 Town Connections. The Town is entitled to receive services from UIA at the Product Catalog wholesale rates of UIA.

Section 3.23 Customer Service. UIA staffs a customer service call center for sales, information, and other miscellaneous issues. For outages, technical support, and billing issues, subscribers are generally expected to call their contracted service provider. In the event a service provider determines the issue is related to problems with the City Network and not the service provider or in-home equipment, then the service provider may refer the issue to UIA.

Section 3.24 Technical Support. UIA is responsible for providing technical support for the connection up to the demarcation switch in each home or business. Technical support for customer routers, in-home wiring, computers, and in-home Wifi is not service that UIA provides. Such services are generally expected to be handled by the subscriber's contracted service provider based on their terms of service.

Section 3.25 IT Systems. UIA will be responsible for incremental costs for software licensing expenses incurred for managing the City Network including device monitoring, billing software, configuration management, and automated provisioning systems.

Section 3.26 Geographic Information System (GIS). UIA will be responsible for maintaining GIS data for the City Network, including the costs for any software licensing, hardware, and data archival expenses.

## ARTICLE IV

### APPROVAL AND PUBLICATION REQUIREMENTS

Section 4.1 Submission to Authorized Attorney. This Contract shall constitute an agreement for joint and cooperative action pursuant to the Interlocal Act. In accordance with the requirements of Section 11-13-202.5 of the Interlocal Act, as amended, this Contract shall be submitted for approval to the governing bodies of UIA and the Town and to an authorized attorney for UIA and for the Town who shall approve this Contract if such attorney determines that it is in proper form and compatible with the laws of the State of Utah.

Section 4.2 Publication. In accordance with the requirements of Section 11-13-219 of the Interlocal Act, as amended, the governing body of UIA shall provide for the publication of the resolution adopted by it pursuant to the requirements of Section 11-13-202 of the Interlocal Act, as amended, in the official newspaper or the newspaper published within its boundaries, or if no newspaper is so published, then in a newspaper having general circulation therein.

## ARTICLE V

### GENERAL PROVISIONS

Section 5.1 Acquisition and Construction of the Improvements. UIA represents that it will acquire or cause to be acquired all permits, licenses, rights and privileges, structures, equipment, and facilities with respect to the acquisition and construction of the Improvements necessary for the performance by UIA of this Contract. UIA shall maintain and defend such permits, licenses, and rights and privileges and shall not voluntarily permit any change therein that would result in impairment of the performance by UIA of its obligation under this Contract.

Section 5.2 Risk of Loss. Each Party is solely responsible for the risk of loss of, or damage to, equipment of that Party (regardless of where located), unless the loss or damage results from the negligence or fault of the other Party.

Section 5.3 Several Obligations. Except where specifically stated in this Contract to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Contract shall ever be

construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Contract and shall not be liable for any obligation of the other.

Section 5.4 Liability Dedication. Nothing in this Contract shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Contract.

Section 5.5 Books and Records. UIA agrees that it shall maintain separate books and records relating to the Improvements and that proper and equitable allocations of revenues and expenses will be made with respect to the operations of the Improvements. The Town shall receive from UIA a monthly statement on the accounting and disposition of Hook-up Leases and City Fees. Also, UIA shall submit to the Town such supporting data with respect to all annual budgets and yearly accounting reconciliations as are reasonably necessary to enable the Town to effect proper accounting therefor. All bank records, books of account and accounting records of UIA relating to this Contract shall be available for inspection and utilization by a duly authorized officer or designee of the Town at all reasonable times. UIA shall cause such books of account of the Improvements to be audited annually by independent public accountants experienced in utility accounting. A copy of each such annual audit, including any recommendations of the accountants with respect thereto, shall be promptly made available by UIA to the Town.

Section 5.6 Relationship to Other Instruments. It is recognized that UIA must comply with all licenses, permits and regulatory approvals necessary for the ownership, acquisition, construction and operation of the Improvements, and it is, therefore, agreed that this Contract is made subject to the terms and provisions of such licenses, permits and regulatory approvals, except that the Town shall not be bound by any term or provision of any license, permit, or regulatory approval, which may contradict or vary the terms hereof unless it expressly consents in writing to be so bound. The Town agrees that it will not revise or amend its fees charged to End Users under its Communications Enterprise in any manner that would adversely affect the priority of or the security for the payments to be made thereunder to UIA without the mutual consent of the Parties.

Section 5.7 Liabilities. The Town, its officers, designees, and employees, or any of them, shall not be liable for any claims, demands, costs, losses, causes of action, damages or liability of whatsoever kind or nature arising out of or resulting from the ownership, acquisition, construction and operation by UIA of the Improvements. UIA, its officers, designees, and employees, or any of them, shall not be liable for any claims, demands, costs, losses, causes of action, damages or liability of whatsoever kind or nature arising out of or resulting from the performance by the Town under this Contract.

Section 5.8 Assignment. Except for security purposes in connection with any obligations incurred by UIA, neither this Contract nor any part hereof shall be assigned by any Party without prior written consent of the other.

Section 5.9 Furnishing Service to Others. UIA, by entering into this Contract, does not hold itself out to provide the Improvements or similar service to any other person or entity.

Section 5.10 Uncontrollable Forces. No Party shall be considered to be in default in respect to any obligation hereunder, other than under Article III, if prevented from fulfilling such obligation by reason of an Uncontrollable Force. If a Party is rendered unable to fulfill any obligation by reason of an Uncontrollable Force such Party shall exercise due diligence to remove such inability with all reasonable dispatch and shall keep the other Parties fully informed of changes and conditions as far in advance as possible.

Section 5.11 Communications Enterprise. The Town will operate and maintain, or cause to be operated and maintained, its Communications Enterprise in good operating order and will fix, charge, and collect rates, fees, and charges in accordance with Section 5.12 herein.

Section 5.12 Imposition and Collection of Fees. The Town has previously established or will establish a Communications Enterprise and hereby represents that it charges or causes to be charged on its behalf all End Users within the Town through its Communications Enterprise monthly fees for each connection to the City Network in consideration for the Connection Services and other communications services provided by the Town. The Town shall establish or cause to be established such enforcement procedures as may be necessary to collect such fees. Said fees, when collected, shall be used by the Town to pay its obligations under this Contract.

Section 5.13 Cable Television Services and Public Telecommunications Services. The Parties hereto acknowledge and represent that neither party, by entering into this Contract, shall provide or be required to provide Cable Television Services or Public Telecommunications Services as defined in the Telecommunications Act, nor is either party capable of providing said services. Furthermore, the Parties hereby acknowledge and represent that to the best of their knowledge, the Town is paying for the full cost of providing the Connection Services or other services received by it pursuant to this Contract.

Section 5.14 Entire Agreement. This Contract constitutes the entire agreement among the Parties with respect to the subject matter hereof. No change, variation, termination, or attempted waiver of any of the provisions of this Contract shall be binding on the Parties unless executed in writing by the other Party. This Contract shall not be modified, supplemented, or otherwise affected by course of dealing.

Section 5.15 Amendments. This Contract shall not be amended, modified, or otherwise altered in any manner without the consent of the parties hereto, which consent shall not be unreasonably withheld; provided however, that Section 3.3, Section 3.6, Section 5.16, Section 5.18, and Section 5.19 hereof shall not be amended until such time that any obligations issued by UIA and payable from amounts paid or received hereunder shall have been retired in accordance with their terms.



Section 5.16 Effective Date and Original Term; Termination. This Contract shall be effective as of the date hereof and shall continue in effect until October 15, 2046 (the “Original Term”), or such later time when any obligations issued by UIA and payable from amounts hereunder shall have been retired in accordance with their terms.

Section 5.17 Notice. Any notice, demand, or request provided for in this Contract shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

UIA: UTOPIA  
5858 South 900 East  
Murray, UT 84121  
Attn: Chief Executive Officer

Hideout  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Parties may, at any time, by notice to the other designate different or additional persons or different addresses for the giving of notice hereunder.

Section 5.18 Third-Party Beneficiaries. The terms and provisions of this Contract shall be binding upon and inure to the benefit of the Parties hereto, and their respective successors and assigns, including the Trustee, and is made for their benefit. Further, the Trustee is an intended third-party beneficiary for purposes of Section 3.3. and Section 3.6 hereof, including without limitation its rights to Sales Tax Revenues, Franchise Tax Revenues, and the Town Reserve Fund in the event of any Shortfall and to pursue all remedies related thereto. No other person shall have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Contract as a third-party beneficiary or otherwise.

Section 5.19 Governing Law and Dispute Resolution. This Contract shall be interpreted, governed by, and construed under the laws of the State of Utah. If a dispute arises from or relates to this Contract or the breach thereof, and if the dispute cannot be settled through direct discussions, the Parties agree to endeavor first to settle the dispute by mediation before resorting to arbitration. The Parties further agree that any unresolved controversy or claim arising out of or relating to this Contract, or breach thereof, shall be settled by arbitration administered in accordance with the American Arbitration Association’s Commercial Arbitration Rules and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Claims shall be heard by a panel of three arbitrators. Within 15 days after the commencement of arbitration, each Party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. The place of arbitration shall be Salt Lake City, Utah. The arbitration shall be governed by the laws of the State of Utah. Hearings will take place pursuant to the standard procedures of the Commercial Arbitration Rules that contemplate in person hearings. The arbitrators will have no authority to award punitive or other damages not measured by the prevailing Party's actual damages. The arbitrator(s) shall not award consequential damages in any arbitration initiated under this section. The arbitrators

may determine how the costs and expenses of the arbitration shall be allocated between the Parties, but they shall not award attorneys' fees. The award of the arbitrators shall be accompanied by a reasoned opinion.

Section 5.20 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 5.21 Severability. If any provision of this Contract shall be held or be deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatsoever.

[Signature pages follow]

DRAFT

IN WITNESS WHEREOF, the Parties hereto have executed this contract the day and year herein first above written.

(SEAL) UTAH INFRASTRUCTURE AGENCY

By: \_\_\_\_\_  
Chair

ATTEST AND COUNTERSIGN:

By: \_\_\_\_\_  
Secretary

(SEAL) HIDEOUT, UTAH

By: \_\_\_\_\_  
Mayor

ATTEST AND COUNTERSIGN:

By: \_\_\_\_\_  
Town Clerk

Pursuant to Section 11-13-202.5 of the Utah Code Annotated 1953, as amended, the foregoing Contract is hereby approved.

---

Attorney for Utah Infrastructure Agency

---

Attorney for Hideout, Utah

DRAFT

## EXHIBIT A

### CONNECTION SERVICES

#### **Strategic Partner Management**

Recruit and manage strategic partnerships, which will include but not be limited to Business and Residential Service Providers and Services Providers. Attract new technologies to the network to facilitate new service offerings on the network and leverage the Town's existing network and its communities.

UIA will negotiate on behalf of the Town the contract and contract amendments, enforce contracts with Providers and ensure Service Level Agreements are met according to business and contractual obligations.

#### **Product Management**

Recommend, develop wholesale pricing model along with the Town and strategic partners. This will include new wholesale pricing for newly developed products brought by UIA and its Strategic Partners.

Present developed model and any changes the Town and strategic partners for rollout on the Network. Maintain, modifying and bring to end-of-life wholesale products on the network.

#### **Planning, Design and Implementation**

UIA will provide planning, design and implementation of the Town's network as requested. A full outside plant design, network design and operational impact review will be provided along with a project implementation plan timeline, along with associated budget for the plan. The plan will include:

- Creation/Import of Town records into GIS system
- Estimated cost for the outside plant build requested area
- Estimated cost for the network engineering build
- Project Engineer to interact and answer questions about the proposals and presentations
- Support for submittal of change orders for any changes on the design plan
- Supporting production map(s) and documentation for proposed build areas
- Extract of information in supported format provided by UIA

## **Marketing/Advocate Awareness Program**

UIA will instigate and oversee any marketing and communications efforts that are necessary to the network's success. This could include campaigns within Town governments, residential markets, multi-dwelling unit markets, business markets, or with community and national thought leaders, policy makers and other audiences. In particular, UIA will seek opportunities to develop and educate about future quality-of-life, public safety, and economic development opportunities on the network, working to build the network's reputation as necessary public infrastructure.

UIA will recruit and manage personnel and/or contractors to assist in promoting the network and growing the subscriber base. The Town may assist with the promotion activities as long as it receives the prior written approval from UIA to do so.

## **GIS Services**

Upon implementation of new network designs UIA will create, manage and maintain a Geo-spatial database to track the build of the Town's network. UIA will provide a conversion method to import engineering documentation (CAD Conversion) and modify the geo-spatial database to include AS-Built updates as reported.

Continued support will be offered by taking GPS data collection for key OSP elements, recording that information into the database, providing and tracking fiber assignments made for provisioning services and when requested, provide an extract of the database for the Cities in an available format

## **Outside Plant Services**

During construction UIA will appoint a Project Manager to oversee all approved construction for the specific project. They will manage the RFP process using UIA standard policies to award construction bids and select qualified contractors. They will provide management over employees and contractors during the construction process by assigned construction work packages and ensuring industry best practices and consistent engineering specifications are met.

The Project Manager will ensure:

- Budget tracking and reporting is available for the Town
- Obtain necessary field permits and obligations
- Issues are tracked and brought to resolution for the Town or its residents
- RMA process is followed
- Inventory is managed and accounted for
- Maintaining necessary levels of inventory to complete work packages
- Ensure construction work through Quality Assurance procedures

## **Field Services**

UIA will provide field crews and/or contractors to be deployed in the field to manage the physical plant which is constructed for the Town. UIA will maintain physical huts and cabinets on the network. During the event of an issue the Field Services Group will respond to any actual damage to physical plant and manage and execute the repair needed for restoring the physical plant as deemed necessary by UIA.

## **Network Engineering Services**

UIA will provide network engineers and/or contractors to evaluate, recommend the needed electronics to provide wholesale services on the network. These Network engineers will:

- Test and certify network electronics for deployment
- Create, maintain physical and logical topology of the Network
- Configure and install the necessary devices in the network as needed
- Resolve any issues with these devices and replace parts or device as needed
- RMA through standard processes
- Research and Development of new technologies along with strategic partners
- Capacity planning of the network

## **Operations Management**

UIA will provide management oversight of operational support of the network. This will include:

Integration: Integration of strategic partners onto the network, establishing standard interfaces and operational methods and procedures with these partners. UIA will assist strategic partners in understanding integration points of products and services on the network.

Operational Methods and Procedures: Develop supporting methods and procedures to coordinate delivery of services to customers.

Network Operations Center (NOC): 24x7 NOC to monitor health of devices and services on the network. Respond to Strategic Partner requests, manage to resolution reported issues on the network.

Network Repair and Maintenance: Detect, record (through a UIA a trouble ticketing solution) and respond to network maintenance and issues. Record and dispatch appropriate teams into the field for issue resolution.

Order Management System: Provide systems to allow the ordering and activation of wholesale services on the network, track customer acquisition and produce invoices, as needed, of wholesale services for cities so that they may invoice residents and UIA may invoice Service Providers.

Reporting: Provide reporting of customers on the network.

Invoicing: Provide information to the Town to allow the invoicing of applicable wholesale services on the network, if the Town handles its own invoicing.

DRAFT



## EXHIBIT B

### DESCRIPTION OF IMPROVEMENTS

#### **Physical Improvements**

Fiber Optic Communication lines will be deployed throughout the Town. These lines will be constructed both overhead and underground in each of the Town's "rights of way" following all local, state and federal regulations using industry best practices to deploy the most efficient and cost-effective infrastructure.

Elements of the infrastructure include 3 separate categories: Backbone or middle mile construction, access level or last mile construction and drop level construction.

#### **Backbone or Middle Mile Construction**

Consists of both overhead and underground paths, communication shelters to house distribution switches, fiber optic patch panels, uninterruptable power supplies (UPS) and generators. The communication shelters will serve as distribution points within the Town and will be connected diversely with ring architecture. Other elements include fiber optic cable, conduit, strand, pole mounting hardware, vaults, splice closures and all other items necessary to construct and operate the network. The testing and certification of the improvements will be in accordance with national industry standards and UTOPIA's Engineering Standards document.

#### **Access Level or Last Mile Construction**

Consists of both overhead and underground paths to every subscribed address within the build area. Elements of this type of build include fiber optic cable, conduit, strand, pole mounting hardware, vaults, splice closures and all other items necessary to construct and operate the network. This infrastructure will facilitate and serve as network access points for subscribers to UIA.

#### **Drop Level Construction**

Consist of drop fiber and/or conduit being placed from a network access point to the demarcation point within the subscriber's premise where a network interface device will be placed. Elements of this type of build include three quarter inch drop conduit, drop fiber, aerial attachment hardware, network interface device (NJD), UPS, fiber pigtail, optical transceiver/receiver, power cord and all other items necessary to construct and operate the network. In some instances, UIA will also be responsible for installing cat5 cable within the homes to provide a connection for the services ordered.

EXHIBIT C

MAP OF MAINLINE SYSTEM

EXHIBIT D

FORM OF PROMISSORY NOTE

\$ \_\_\_\_\_

(date)

FOR VALUE RECEIVED, the undersigned, Utah Infrastructure Agency (“Borrower”), promises to pay to the order of Hideout, Utah (“Lender”), the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) together with all subsequent loan advances made, expenditures authorized and additional payments provided for in this Promissory Note and pursuant to the Fiber Communications Service Contract dated as of [\_\_\_\_], 20\_\_, between Borrower and Lender (the “Contract”).

1. Definitions. As used in this Note, the following terms shall have the meanings set forth below:

“Effective Date” means the date the terms of this Note, including the accruing rate of interest and the payment obligations described herein, become effective, which date shall be the date the proceeds of the Loan are disbursed to or for the benefit of Borrower.

“Event of Default” means failure by Borrower to pay timely any installment of principal or interest on this Note.

“Loan” means the loan advanced by Lender to Borrower under the terms and upon the conditions contained in the Contract in the principal amount of \_\_\_\_\_ (\$ \_\_\_\_\_).

“Maturity Date” means \_\_\_\_\_.

“Month” means a calendar month.

“Note” means this Promissory Note and any extensions, renewals or modifications thereof.

“Payment Date” means the \_\_\_\_\_ day of each Month on which Borrower shall pay to Lender accrued interest, or principal and accrued interest, on the outstanding principal of this Note, as required by the terms of this Note.

“Principal Indebtedness” means at any time and from time to time during the term of this Note all advances, disbursements, expenditures, and payments made by Lender after the date of this Note pursuant to the terms of this Note or the Contract.

2. Security. Security for this Note and repayment by Borrower will be limited exclusively to the Revenues, as defined in the Contract, that are generated under the Contract. Borrower’s obligation to repay the Note is contingent upon the availability of Revenues generated under the Contract in excess of the UIA Revenue Requirement, as

defined in the Contract. Borrower is not obligated to utilize any other funds to repay this Note.

3. Interest Accruals. The unpaid principal balance will bear interest at the rate set forth in Section 3.6(f) of the Contract.

4. Interest Calculation Basis. All interest accruing under this Note shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

5. Payments of Principal and Accrued Interest.

(a) Beginning on \_\_\_\_\_, Borrower shall make monthly installment payments to Lender of principal and accrued interest on the unpaid Principal Indebtedness in the amount of \_\_\_\_\_ (\$ \_\_\_\_\_) each.

(b) The entire unpaid Principal Indebtedness, together with all accrued and unpaid interest thereon, if not sooner paid, shall be due and payable in full on the Maturity Date.

6. Place of Payment. All payments under this Note shall be made in lawful money of the United States of America at Lender's offices at \_\_\_\_\_ Utah, or at such other place as Lender may from time to time designate. All payments on this Note shall, at the option of Lender, be applied first to the payment of accrued interest and after all such interest has been paid, any remainder shall be applied toward the reduction of the Principal Indebtedness.

7. Default Rate of Interest. During any period of time which an Event of Default has occurred and is continuing, interest shall accrue against the outstanding Principal Indebtedness evidenced hereby at a rate equal to the otherwise effective rate of interest under this Note plus five percent (5.0%) per annum, calculated on the basis of a 360-day year for the actual number of days elapsed.

8. Prepayment. Borrower may prepay all or a portion of the amount owed earlier than it is due.

9. Late Fee Charges. If any payment required by this Note not received by Lender within ten (10) days after such payment is due, a late fee charge equal to five percent (5.0%) of such late payment shall be due and payable.

10. Incorporation of Contract. The terms, conditions, covenants, provisions, stipulations and agreements of the Contract are hereby made a part of this Note by reference to such document in the same manner and with the same effect as if the Contract were fully set forth herein. Borrower hereby covenants and promises to abide by and comply with each and every covenant and condition set forth in this Note and the Contract.

11. Application of Payments. All payments on this Note shall, at the option of Lender, be applied first to the payment of accrued interest and after all such interest has been paid, any remainder shall be applied toward repayment of any additional advances

Lender has made hereunder which have not already been added to the Principal Indebtedness then outstanding, and the balance, if any, toward the reduction of the Principal Indebtedness.

12. Waivers, Substitution of Security. Borrower waives presentment for payment, notice of dishonor and protest, and consents to any extension of time with respect to any payment due under this Note, to any substitution or release of collateral, and to the addition or release of any party. No waiver of any payment under this Note shall operate as a waiver of any other payment. No delay or failure of Lender in the exercise of any right or remedy provided for under this Note shall be deemed a waiver of such right by Lender, and no exercise of any right or remedy shall be deemed a waiver of any other right or remedy which Lender may have.

13. Governing Law. This Note is to be construed in accordance with the laws of the State of Utah, without giving effect to principles of conflicts of laws.

14. General. Time is of the essence hereof. Upon the occurrence and continuance of an Event of Default, Lender shall have, in addition to all rights and remedies available to Lender at law or in equity, all rights and remedies allowed under Utah law.

DATED effective as of the date first above written.

[Signatures appear on following pages.]

BORROWER:

UTAH INFRASTRUCTURE AGENCY

By: \_\_\_\_\_  
Chair

LENDER:

HIDEOUT, UTAH

By: \_\_\_\_\_  
Mayor

(SEAL)

ATTEST AND COUNTERSIGN:

By: \_\_\_\_\_  
Town Clerk

DRAFT