

**Adopted Minutes  
Spanish Fork City Council Meeting  
June 22, 1994**

The meeting was called to order at 7:00 pm by Mayor Marie W. Huff. The pledge of allegiance was offered by Kent R. Clark.

City Council Members Present: Mayor Marie W. Huff, and Councilmembers Thora L. Shaw, Rex Woodhouse, Jerald M. Chapple, and Clyde A. Swenson. Councilmember Kim H. Peterson was excused.

Staff Members Present: David A. Oyler, City Manager; Kent R. Clark, Finance Director/Recorder; Richard J. Nielson, Design Engineer; S. Junior Baker, City Attorney; and Heather Frost, Recording Secretary.

Citizens Present: Robb Hicken, Daily Herald; Glade Burr, Grant G. Williams, Rommyn Skipper, Deseret News; Dolores Waggoner, Robert Waggoner, Marilyn Hales, Ernest M. Hales, Leann Moody, Spanish Fork Press; Patrick J. O'Hare, Attorney representing Denver and Rio Grande Western Railroad; Mr. William D. Oswald, Redevelopment Agency Attorney; Mr. Scott Abernethy and Mr. Lee J. Wilwerding of Western Distribution, Incorporated; Mr. Richard Chong and Ms. Jonnalynne Walker of Richard D. Chong and Associates.

**Joint Public Hearing - Spanish Fork City Council and Redevelopment Agency Members**

Ms. Shaw made a **motion** to open the joint public hearing of the City Council of Spanish Fork City and the Redevelopment Agency of Spanish Fork City at 7:00 pm. The **second** was made by Mr. Chapple, and the motion **passed** with a unanimous vote. Mayor Marie W. Huff turned the time to Mr. William D. Oswald, Attorney. Mr. Oswald explained the formalities of the minutes and documents expected to be discussed, including, but not limited to the Spanish Fork Canyon Project Area. Mr. Oswald stated that all the procedures and notices and publications required by law have been accomplished. Mr. Oswald then explained the purpose of the public hearing.

The following is the JOINT STATEMENT AT THE PUBLIC HEARING (Economic Hearing, Public Information and Input Hearing) as read by Mr. William D. Oswald:

"The minutes should show that this is the time and the date set for a public hearing conducted by the Redevelopment Agency of Spanish Fork City, and the City of Spanish Fork on Wednesday, June 22, 1994 at 7:00 pm in the City Council Chambers, 40 South Main Street, Spanish Fork City, Utah, pursuant to Notice. The purposes of the public hearing are to:

- (1) inform the public about the proposed redevelopment project area (the "Project Area");
- (2) allow public input into the Agency's deliberations and considerations regarding a proposed Project Area plan (the "Redevelopment Plan");

The following documents will be made a part of the public hearing record:

1. A Notice of Public Hearing as required by Section 17A-2-1222, Utah Code Annotated, has been given by publication in the Spanish Fork Press. Certified copies of the proof of publication will be filed with the minutes of the public hearing.

2. The Redevelopment Agency by Resolution No. 94-01 dated April 20, 1994 formally designated an area in Spanish Fork City as a redevelopment survey area, as provided by Section 17A-2-1204, Utah code Annotated, and a copy of this Resolution will be made part of the minutes of this public hearing.

3. A Notice dated May 9, 1994, executed by Marie Huff, as Mayor of Spanish Fork City and David Oyler as Executive Director of the Redevelopment Agency was mailed, by certified mail, to each owner of record, owning property within the boundaries of the proposed Project Area. Copies of said Notice and a list of said owners, together with certificates of mailing shall be attached to the record of this hearing.

4. A Notice dated May 9, 1994 executed by Marie Huff, as Mayor of Spanish Fork City and David Oyler as Executive Director of the Redevelopment Agency was mailed, by certified mail, to each owner of record, owning property within 300 feet of the boundaries of the proposed Project Area. Copies of said Notice and a list of said owners, together with certificates of mailing shall be attached to the record of this hearing.

5. A Notice dated May 9, 1994 executed by Marie Huff, as Mayor of Spanish Fork City and David Oyler as Executive Director of the Redevelopment Agency was mailed, by certified mail, to each taxing agency incorporating the provisions required by Section 17A-2-1259, Utah Code Annotated. A copy of said Notice, together with a certificate of mailing will be attached to the minutes of this public hearing.

6. A Notice of Meeting as required by Section 52-4-6, Utah Code Annotated, has been given by publication and a copy of the Notice, together with a copy of the agenda and a certificate of mailing shall be attached to the record of this public hearing.

The purposes of this public hearing, are set forth in Section 17A-2-1206(4), Utah Code Annotated, which states:

(4)...the agency shall hold at least one public hearing within 45 days after designation of a project area to inform the public about the proposed project area and to allow public input into the agency deliberations on designating a project area.

The public hearing record should show that the designation of the proposed project area and its legal description was made on May 9, 1994, when the City through its Mayor and the Agency through its Executive Director authorized the mailing of notice to: (a) the owners of record; (b) the property owners owning real property within 300 feet of the

proposed project area; (c) the taxing agencies; and (d) the authorization to the Spanish Fork Press, a newspaper of general circulation to publish the notice of this public hearing.

The Agency is also holding this public hearing pursuant to Section 17A-2-1211(1)(a), Utah Code Annotated, which states:

(a) at least one public hearing shall be held to inform the public about the proposed project area and to allow public input into agency deliberations on the plan pursuant to Section 17A-2-1206;

If the Agency decides after the first public hearing to proceed with the proposed Redevelopment Plan and Project Area, the Agency will hold a second public hearing pursuant to the provisions of Section 17A-2-1211(1)(b) which reads as follows:

(b) at least one public hearing shall be held to allow public comment on agency deliberations on approving the redevelopment plan pursuant to Section 17A-2-1221.

The second public hearing would be held at least thirty days after this first public hearing."

Mr. Oswald: The first document I will give you is the Spanish Fork Canyon Economic Development Project Report. During the course of the hearing tonight we will not be asking you to adopt this Report. Tonight we will get input from property owners and public entities.

Mr. Swenson: These can be amended or changed?

Mr. Oswald: Yes, these can be amended or changed. I am not going to give this to those in the audience tonight for public inspection. If, in fact, we proceed to a second public hearing, as we do, the public will have the opportunity to have this document in front of them. We will deal with the phraseology part at the second public hearing. At this time Madam Chair, let me indicate that a picture is worth a thousand words. In order to receive public input, we have invited the parties that may purchase the land to show by video presentation a facility they have constructed in Tennessee. I recommend we allow them time to present that video. They have come from another state with a presentation of the project they are proposing. I invite Mr. Scott Abernethy to have the opportunity to make you aware of the proposed economic development project.

### **Video Presentation - Western Distribution, Incorporated**

Mr. Scott Abernethy: I represent Western Distribution, Incorporated. I will turn the time to Mr. Lee J. Wilwerding, Director of Engineering, he is in charge of this project.

Mr. Wilwerding: Mayor Huff and city council members this video is approximately eight minutes long. This video was made out of the distribution center in eastern Tennessee in

reference to the center in Saint Cloud, the center located in eastern Tennessee, and services the entire eastern part of the United States.

A video was presented by Mr. Wilwerding providing information about Western Distribution, Incorporated (Fingerhut). The video depicted a distribution facility of approximately 1,000,000 square feet and explained how it was constructed and operated. The video showed how goods arrive at the facility and how they are shipped to customers.

Mr. Wilwerding: The facility in the video is similar to the type we have planned for Spanish Fork. It is about two steps above what we presently have in Saint Cloud.

Mr. Oswald: How is the Utah facility different?

Mr. Wilwerding: The square footage is approximately the same. One difference is the Utah facility will have a high bay/low bay situation, similar to what you saw in the video. Products will be fed to racks from conveyers. What we will put into this facility is a conveyer tray. It goes around on a track and has more carrying capacity and is computer coded. The entire Western United States will be serviced out of Spanish Fork. The tilt tray system is dramatically different from what we have in Tennessee. The tilt tray system is new technology out of Europe. Are there any questions?

Mr. Glade Burr: I am from Salem. I'm here out of curiosity. Is the entire distribution truck driven as opposed to rail?

Mr. Wilwerding: Yes, it is entirely truck driven. Rail is not time oriented enough.

Mayor Huff: How big is the building?

Mr. Wilwerding: Eventually it will be 1,035,000 square feet. We have designed it after the pattern of the Tennessee distribution center.

Ms. Shaw: How many employees do you anticipate?

Mr. Wilwerding: By 1996 we anticipate between 700 to 800 employees.

Mr. Woodhouse: Why did you choose this area?

Mr. Wilwerding: It is no surprise we do business where people live. We picked Tennessee because we can service the Eastern United States from there. Today we service the western states from Mississippi. More time is needed to ship products, and customers do not want to wait. For this reason we determined the need to go west. We looked at Arizona, New Mexico, Utah, and Nevada, and for various reasons we chose Utah. We like the work ethic and educational levels, we like the site up the canyon, and to date, all dealings we have had with the city have been positive. We have talked with economic developers at county and state levels and we don't anticipate any major problems. Salt Lake City and this area is right smack in the middle of the Western United States for which we provide services.

Mr. Swenson: How many acres are under one roof?

Mr. Wilwerding: 43,560 square feet per acre.

Mr. Nielson: That would be over twenty acres.

Mr. Swenson: How will snow on the roof be handled?

Mr. Wilwerding: Our architects will have to handle that. They will have to plan for snow and also seismic conditions. It is definitely a different climate here than in Tennessee. These conditions will have to be planned for.

Ms. Shaw: I would be interested in getting an idea of your wage scale. Do you pay benefits?

Mr. Wilwerding: Full-time employees will receive benefits. Of course the wage will vary from management on down. The minimum will be from \$6.75 to \$7.00 per hour. In the fall season we plan to hire additional part-time help. They would be seasonal part-time and would not receive benefits.

Mayor Huff: There will be no pollution?

Mr. Wilwerding: We don't produce anything so we don't have any problems with pollution.

Mayor Huff: Someone made the statement to me that you would purchase five million cartons from Longview Fibre per year.

Mr. Wilwerding: By the year 1997, we will be shipping from nine to ten million packages. They will be shipped in cardboard boxes. They may not come from the Spanish Fork plant, but we have begun talking with the people from this plant and we may be able to work something out with them.

Mayor Huff: That could mean more employees for Longview Fibre.

Mr. Burr: Would you import employees? If so how many and would they be management positions?

Mr. Wilwerding: The vast majority of employees would be hired locally. It is our feeling a half dozen people who understand Fingerhut operations will be brought here from our other plants.

Mr. Burr: What percent will be technological jobs?

Mr. Wilwerding: Approximately 80% will have to work on the computer, with about twelve employees full time on the computer. You saw on the video every four truck bays have a computer terminal. There will also be maintenance work, electrical work, etc.

Ms. Shaw: Relative to the traffic issue, how many trucks go out of the plant each day?

Mr. Wilwerding: 25-30 outgoing per day; 35-40 incoming per day.

Ms. Shaw: Will your trucks be running 24 hours per day?

Mr. Wilwerding: More like 16-18 hours per day.

**Presentation of Economic Analysis - Richard Chong of Chong & Associates and Jonnalynne Walker**

Mr. Oswald: Traditionally a blight survey has been done. One year ago the legislation changed, and an Economic Development Project Analysis is required rather than the blight survey. Richard D. Chong and Associates have for us tonight a summary of the Economic Development Analysis. I will turn the time over to Mr. Richard D. Chong and Ms. Jonnalynne Walker for their summary.

Mr. Richard Chong: As Mr. Oswald mentioned, based on the fact that on April 20, 1994, Spanish Fork City Redevelopment Agency adopted Resolution 94-01: A Resolution of the Board of Directors of the Redevelopment Agency of Spanish Fork City, Utah, designating an economic development survey area know as "Spanish Fork Canyon Project Area", we have completed an analysis, and Ms. Jonnalynne Walker will now present a summary of the Economic Development Analysis.

Ms. Jonnalynne Walker presented a summary of the Economic Development Analysis for the Spanish Fork Canyon Project Area as completed by Richard D. Chong and Associates. She discussed the various elements of the report. A copy is attached to the public hearing record.

**Question and Answer Period - Mayor and members of the Board of Directors of the Redevelopment Agency and City Council**

Mr. Oswald: We need your input. Should we go to second public hearing and prepare a preliminary report?

Mayor Huff: I would like to say this area is a gravel pit. It will remain a gravel pit if this proposed industry does not go in.

Mr. Ernest M. Hales: I guess I don't understand what you mean it will remain a gravel pit?

Mr. Oswald: Mr. Harry E. Davis is the owner of the 163 acre parcel, and he has given the option to purchase to Western Distribution, Incorporated. If no one is to buy his property, it will likely remain as a gravel pit.

Mr. Hales: Thank you.

Mr. Burr: Will H.E. Davis cease to do business?

Ms. Shaw: He will do business from other areas. He hasn't developed this property.

**Public Input regarding proposed Canyon Project Area and the proposed economic development plan and report from the following persons or their representatives:**

**1. Persons owning real property located within the proposed project area**

Mr. Oyler: Mr. Harry E. Davis owns real property within the proposed project area. He is not present.

**2. Taxing Entities**

Mr. Oswald: Are there any taxing entity comments or public input? It appears there are no comments and that no taxing entity representatives are present.

**3. Persons owning real property located within 300 feet of the boundaries of the proposed project area**

Mr. Patrick O'Hare: I represent Southern Pacific lines, Denver Rio Grande. As you will note, the Rio Grande Railroad property goes right along the project area boundaries. I have discussed this with Mr. Oyler. I need clarification of the project area boundaries.

Mr. Oswald: We did not intend to include any railroad right of way property in the proposed project area. We would be happy to have you give suggestions as to how the legal description might be modified or amended to clarify that the railroad property is not part of the proposed project area. In our Report and Plan it is our intent to not include any railroad property.

Mr. O'Hare: The private easement is correct. An improvement easement will be along the right-of-way.

Mr. Oswald: This train track generally runs to the northwest. Let's turn to the vicinity map in the Economic Analysis.

Mr. Swenson: What type of easement?

Mr. O'Hare: I apologize I don't correctly call it an easement.

Mr. Oswald: Let David explain that.

Mr. Oyler: The description here does not include any railroad property and that is the intent of the legal description. There is railroad property on the east side of the fence. There is a road on the railroad right of way. I assume the question you are asking is what is Western Distributions, Incorporated's intent for that road? I assume it is not to use that road.

Mr. Abernethy: That is correct.

Mr. O'Hare: That's all I have. This sounds like a great project.

Mr. Robert Waggoner: We live right below Little Acorn on Powerhouse Road. We are concerned how about how close the Fingerhut will come to Powerhouse Road.

Mr. Oyler used a city map to show the location of the proposed industry in relation to Powerhouse Road as shown in the map located in the Economic Analysis written by Mr. Chong.

Mr. Waggoner: My only other question is about the traffic.

Mr. Oyler: The Redevelopment Agency has hired a traffic engineer to look at the traffic design for the proposed project. Mr. Waggoner's concern was the intersection at Little Acorn, Jack Rabbit, and Oak Crest Inn. Based on input from Western Distribution, Inc., they will have rotating shifts, and approximately 527 people are not all going to work at the same time, but over two or three shifts. The State has come up with adjustments to the intersection. A private consultant has come up with some recommendations. The State has reviewed it. The State's long term plan is to increase the State highway 6 to a four lane highway running to Price and eventually to I-70 near Green River. If they build, and one and one half years from now they have thirty delivery trucks a day and forty receiving trucks a day, the intersection would be the main concern and it would be designed to meet such demand.

Mr. Waggoner: I have no other questions, thank you. This beats rock crushers and gravel pits.

Mr. Ernest Hales: I can't see where this project would have bearing on my property. My property is zoned for commercial use and I am trying to get better access to it. If there is a possibility for having deceleration lanes at the intersection, I would favor that, because of the limited access to my commercial property. I would suggest you have a flow chart for the public's information.

Mr. Oswald: There are so few people attending the public hearing. What if the Redevelopment Agency offered to reproduce the Economic Development Analysis for the people here who would like to have a copy. Those here tonight who would like a copy of Richard D. Chong & Associates charts, please give your name and address to Mr. Oyler and we will make you a copy.

#### **4. Other interested persons**

Mr. Grant Williams (235 East 300 South, Spanish Fork): I support the project, but have concerns about traffic on 300 South. Anything you do will create problems on 300 South. I hardly dare back out of my driveway. I feel the County and the State should be involved in this project for road improvements. I suggest putting pressure on the County and the State to put in some semaphores.

Mayor Huff: The State has promised us semaphores.

Mr. Williams: If there is an increase of 500 people, the County should take care of the power plant road improvements.

Mr. Swenson: They are aware of what is going on. They are working on it. They also know what is going to happen. We have discussed the proposed project with them.

Mr. Williams: Being aware of it and being a part of it are two different things.

Mr. Woodhouse: We are concerned about it.

Mr. Williams: You guys know all this stuff and we don't know anything.

Mr. Woodhouse: We are glad you are here. We really haven't looked at the section on 300 South.

Mayor Huff: You could get in touch with the head of UDOT, he is a local man, his name is Al Mecham. As a landowner, I am 100% for this development.

Mr. Oswald asked those in audience if there was any opposition to the proposed Canyon Project Area. There were no additional comments, and no written or oral opposition was stated.

### **Information regarding the proposed Canyon Project Area and proposed Economic Development Plan and Report - David A. Oyler and William D. Oswald**

Mr. Oswald: Let us report the good work David Oyler has done. All taxing agencies have agreed by resolution to expand the acreage beyond the 100 acres of privately owned property limit in the Spanish Fork Canyon Project Area Development. Copies of these resolutions were given to me tonight by Mr. Oyler. Copies of those resolutions will also be attached to the public hearing record showing that all taxing agencies have agreed that the proposed project area boundary may exceed 100 acres of privately owned property as provided by statute.

### **Summary of Proceedings and Future Plans - David Oyler and William Oswald**

Mr. Oswald: One of decisions to be made tonight is whether or not the Agency and the City should proceed to hold the second public hearing sometime in the future. By raise of hands is there anyone present that feels the City Council and Redevelopment Agency of Spanish Fork City should not proceed with the second public hearing?

The public hearing record should indicate that there was no opposition from those in attendance and there were no persons filing written objections.

Mr. Swenson: Are two hearings required?

Mr. Oswald: Yes, two hearings are required before the adoption of an economic development plan. Now we will indicate dates we have talked about for the second public hearing. We will send out second notices and publish in the newspaper the second public hearing date for August 3, 1994, at 7:00 pm. I recommend we move to item "I" on the agenda, and in fact, recommend you direct the staff to undertake a second public hearing and prepare a preliminary Plan, Report, and mail and publish the necessary notices.

Mr. Oswald: Let's turn one more time to Western Development Fingerhut representatives for any suggestions or comments in providing public input.

Mr. Abernethy: We are very comfortable with the proceedings and look forward to coming to the second public hearing.

Mr. Oyler: Copies of the Economic Development Analysis prepared by Richard Chong & Associates are being made now if you would like to pick one up on your way out, you may do so.

Note: Mr. Woodhouse was excused from the meeting at 9:10 pm.

Ms. Shaw made a **motion** to close the public hearing at 9:20 pm. The **second** was made by Mr. Chapple, and the motion **passed** with a unanimous vote.

Ms. Shaw made a **motion** to adjourn the Redevelopment Agency meeting at 9:30 pm and to reconvene the regular session of the City Council meeting. The **second** was made by Mr. Chapple, and the motion **passed** with a unanimous vote.

### **Consideration and adoption of a second joint public hearing date and time by the Spanish Fork City Council with the Redevelopment Agency of Spanish Fork City**

Councilmember Swenson made a **motion** that the City Council set a joint public hearing of the Spanish Fork City Council and the Redevelopment Agency of Spanish Fork City on August 3, 1994, at 7:00 pm and to prepare a preliminary Plan, Report, and give notice as required by law.

### **Consideration and Adoption of Rules Governing Participation and Preference by Owners and Operators of Businesses and Tenants within the Redevelopment Project Areas Adopted by the Redevelopment Agency of Spanish Fork City**

Mr. Oswald: One year ago, the State legislature made a change to the rules governing Owner Participation. They changed the word "may" to "shall" in two places. I have recommended you adopt a new Owner Participation Plan to replace the one you have now, changing the word "may" to "shall". This will make the Owner Participation Plan constant with the State law.

Councilmember Chapple made a **motion** to adopt Ordinance 18-94: ORDINANCE OF THE SPANISH FORK CITY COUNCIL ADOPTING RULES GOVERNING PARTICIPATION AND PREFERENCE BY OWNERS, OPERATORS OF BUSINESSES AND TENANTS OF PROJECT AREAS ADOPTED BY THE AGENCY. The **second** was made by Councilmember Swenson, and the motion **passed** with a unanimous vote.

### **Public Hearing - Fiscal Year 94 Budget Revision**

Mr. Oyler reviewed the revisions of FY 94 budget. No public input was received.

Councilmember Swenson made a **motion** to adopt the second and final revision to the FY 94 budget. The **second** was made by Councilmember Chapple, and the motion **passed** with a unanimous vote.

### **Large Power Rate Changes**

Mr. Oyler said at the June 15, 1994, meeting of the City Council, large power rate changes were tabled until more information was made available. Mr. Oyler then reviewed the large power rate changes.

Councilmember Chapple made a **motion** to adopt the large power rate changes. The **second** was made by Councilmember Swenson, and the motion **passed** with a unanimous vote.

### **Adjournment**

Councilmember Shaw made a **motion** to adjourn the meeting of the Spanish Fork City Council at 9:45 pm. The **second** was made by Councilmember Chapple, and the motion **passed** with a unanimous vote.