

OLYMPIA HILLS WORKING GROUP SUMMARY MASTER DEVELOPMENT AGREEMENT

Date: June 2, 2021

Time: 7:30am – 8:30am

Attendees: Sherrie Ohrn, Clint Smith, Chase Andrizzi, Blake Thomas, Jonathan LaFollette

In this meeting, a backbone structure draft of a master development agreement was presented to the work group. Design guidelines for the Olympia Hills project will be included in their entirety in a separate design guidelines document. The MDA will include, in part, financing mechanisms, ownership, and maintenance responsibilities for infrastructure. The City is taking great care to ensure its interests are protected and to avoid shortfalls of previous MDAs.

The group discussed items they definitely want to see in the MDA. One item was making sure no additional land can be added to the MDA area without a formal amendment process. It was noted that one of the main points of this annexation process is to make sure traffic impacts are best managed, so another ask for the MDA was to include triggers for infrastructure construction to keep pace with development. With the development's about 930 acres, the MDA will likely cover many years of construction, so it is proposed to include periodic (e.g. every 1, 2, 5, etc.) year reviews of the agreement with the developer and City to ensure it is meeting current standards and is serving the best mutual interests.

It was noted that in some cases regarding MDA amendments, developers come in with several asks and the City feels it gets little in return. The group discussed the importance of two-sided negotiation in any MDA amendment.

There was a conversation about the City adding high-importance items to MDAs without a negotiation process. Generally, items cannot be added or changed in the MDA unless both parties agree to the change. However, there can be clauses built in for high-importance matters. For example, in one existing MDA, a clause allows life-safety code amendments to be factored into the MDA by the City staff. That same clause is included in the Olympia Hills MDA draft.

The group discussed an administrative approval process for deviation from standards. This would apply to roads, water lines, and other interior items but not MDA backbone items like density, number of total units, etc. The group talked about making the MDA as clear as possible so future readers without 2021 context can clearly understand the intent, restrictions, and procedures of administrative approvals (and the MDA as a whole). The group asked that any time a request is made to again deviate from previously agreed deviations from standard City ordinances (e.g. setbacks) that the item come to the City Council for review. Additionally, the group asked to include a trigger for a staff communication piece from the administrator to the City Council of any

administratively approved modifications. One suggestion as part of that is to include an ability for the City Council to override an administrator's approval within 14 calendar days.

The group discussed a noted concern from the Planning Commission that they sometimes have a hard time interpreting MDAs, and that they can feel handcuffed by MDAs when reviewing applications because the MDAs are approved by the City Council. The group felt the PC could feel more empowered to have a say in applications if they understood the various individual MDAs. City staff has been working on creating a single binder with each MDA and individual "cheat sheets" for those MDAs.

Impact fees versus contract fees for offsetting development costs was also discussed. A contract fee structure would be formulated very similarly to impact fees, including with analysis to justify the figures, but without the legal restriction that accompanies impact fee funds (restricting parks fees to park projects, road fees to road projects, etc.). It was suggested that contract fees might end up being a little higher than impact fees because the contract fee can take into account a higher percentage of direct impacts "downstream" of the development. The City and development team will together analyze impact fees versus contract fees to make sure they are similar to each other. The developer had noted previously that they don't want to be stuck with a contract fee that is significantly higher than a traditional impact fee.

One item that will need to be discussed with the development team is what percentage of contract fee funds need to be used on projects within Olympia Hills boundaries, and what remaining percentage could be used for projects elsewhere in Herriman City. There is an option that the remainder could be structured to only be used within a specified scope, such as areas directly impacted by Olympia Hills (rather than a miscellaneous fund to go to anywhere in the City). The group noted that with or without a contract fee structure, it's not typical for 100% of a developer's paid impact fees to remain completely within their project anyway. But the possibility of a scope restriction for the remainder funds can address concerns by the development team noted in an earlier meeting about paying for City projects that are not related to Olympia Hills.

One downside of contract fees that the group discussed is that the solidified figures don't factor in inflation. One idea being worked on right now is the prioritization of specific infrastructure projects in increments of a few years. The respective project costs are projected based on inflation data, and those costs would all be factored into a contract fee calculation.