

WORK SESSION: A work session will be held at 6:00 p.m. in Conference Room #3, Second Floor, of the Farmington City Hall, 160 South Main Street. The public is welcome to attend. The agenda for the work session will be as follows:

1. Questions or concerns the City Council may have on agenda items.
2. Budget discussion

FARMINGTON CITY COUNCIL MEETING NOTICE AND AGENDA

Notice is hereby given that the City Council of **Farmington City** will hold a regular City Council meeting on **Tuesday, June 23, 2020, at 7:00 p.m.** The meeting will be held at the Farmington City Hall, 160 South Main Street, Farmington, Utah.

Meetings of the City Council of Farmington City may be conducted via electronic means pursuant to Utah Code Ann. § 52-4-207, as amended. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Electronic Meetings Policy established by the City Council for electronic meetings.

The agenda for the meeting shall be as follows:

CALL TO ORDER:

7:00 Roll Call (Opening Comments/Invocation) Pledge of Allegiance

PUBLIC HEARINGS:

7:05 Chestnut Farms Phase 3 Subdivision Plat Amendment – Steve Van Otten

7:15 North Farmington Station East Project Master Plan (PMP)/Development Agreement and Zone Change – STACK Real Estate

NEW BUSINESS:

7:35 Exception to Dead End Street Standard – Second Point of Independent Access-Brighton Homes

7:45 Resolution Amending the Annual Budget for Fiscal Year ending June 30, 2020; and Adopting the Annual Budget for Fiscal Year ending June 30, 2021

7:55 Purchase of Home and Portion of Lot located at 588 North 1525 West

SUMMARY ACTION:

(Items listed are considered routine in nature and will be voted on in mass unless pulled for separate discussion)

8:10 Minute Motion Approving Summary Action List

1. First Amended and Restated Interlocal Agreement – Utah Risk Management Agency (URMA)

GOVERNING BODY REPORTS:

8:15 City Manager Report

1. Fraud Risk Assessment

8:20 Mayor Talbot & City Council Reports

Minute motion adjourning to the Redevelopment Agency meeting.
(See RDA Agenda)

ADJOURN

CLOSED SESSION

Minute motion adjourning to closed session, if necessary, for reasons permitted by law.

DATED this 18th day of June, 2020.

FARMINGTON CITY CORPORATION

By: 
Holly Gadd, City Recorder

***PLEASE NOTE:** Times listed for each agenda item are estimates only and should not be construed to be binding on the City Council.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting, should notify Holly Gadd, City Recorder, 451-2383 x 205, at least 24 hours prior to the meeting.

Posted 06/18/2020

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

S U B J E C T: Roll Call (Opening Comments/Invocation) Pledge of Allegiance

It is request that City Councilmember Shawn Beus give the invocation to the meeting and it is requested that Mayor Talbot lead the audience in the Pledge of Allegiance.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

PUBLIC HEARING: Chestnut Farms Phase 3 Subdivision Plat Amendment – Steve Van Otten

ACTION TO BE CONSIDERED:

1. Hold Public Hearing.
2. See enclosed staff report for recommendation.

GENERAL INFORMATION:

See enclosed staff report prepared by Meagan Booth. Associate City Planner.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Honorable Mayor and City Council

From: Meagan Booth, Associate City Planner

Date: June 23, 2020

SUBJECT: **CHESTNUT FARMS PHASE 3 SUBDIVISION PLAT AMENDMENT (S-8-20)**

Property Owners: Steve Van Otten, Chestnut Farms Phase 3
Chris Phelps, 1382 W 475 S

RECOMMENDATION

1. Hold a Public Hearing
2. Move that the City Council approve the proposed plat amendment to the Chestnut Farms Phase 3 subdivision thereby adjusting the boundary line, as requested by the applicant, subject to all applicable Farmington City standards and ordinances and that all existing easements must remain in place. Further, the applicant shall continue to work with the City and other agencies to address any outstanding issues remaining with regard to the plat prior to recordation.

Finding for Approval

The lot size created by the adjustment will be .89 acres, still greater than a half-acre in size. However, there is good cause to approve the amendment because no new lot is created, only the adjustment of a common property line acceptable to both owners.

BACKGROUND

Steve Van Otten is requesting to amend the Chestnut Farms Phase 3 Subdivision Plat to adjust the south boundary line of Lot 306 by acquiring a strip of land (36' by 111' or 3,996 square feet) from parcel 08-074-0063 to the south. The property is zoned AE (Agricultural Estates.)The applicant desires to install a swimming pool with in the 3,996 square feet. In doing so, a plat amendment is required to adjust the boundary of the subdivision.

In consideration of the plat amendment, as per Section 10-9a-609 of the State Code, the City must determine if there is good cause for the amendment and if no public street, right-of-way, or easement has been vacated or amended.

If the petition does not include the signatures of all property owners within the plat (which is not uncommon for such petitions, and is the case with this request), state law provides a way whereby owners receive notification and are provided an opportunity to protest such actions. On June 11, 2020 a letter was sent to all property owners regarding the proposed amendment. In the event a protest is received within 10 days from the date of the letter, a public hearing is required. If no protest is received by June 21, 2020, a public hearing is not necessary, and such scenario was unknown at the time the City Council packet was finalized and distributed on June 19, 2020.

Supplemental Information

1. Vicinity Map
2. Petition from Property Owners
3. Proposed plat amendment

Applicable Ordinances

1. Title 12, Chapter 6 – Major Subdivisions
2. Title 12, Chapter 7 – General Requirements for All Subdivisions
3. Title 11, Chapter 10 – Agricultural Zones

Respectfully Submitted



Meagan Booth
Associate City Planner

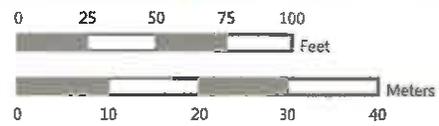
Concur



Shane Pace
City Manager



VICINITY MAP
 Phelps - Van Otten Plat Amendment



Disclaimer: This map was produced by Farmington City GIS and is for reference only. The information contained on this map is believed to be accurate and suitable for limited uses. Farmington City makes no warranty as to the accuracy of the information contained for any other purposes.





Carly Rowe <crowe@farmington.utah.gov>

Phelps and Van Otten - strip of land

Steve Van Otten <steve@freight-tec.com>

Thu, May 21, 2020 at 3:48 PM

To: "crowe@farmington.utah.gov" <crowe@farmington.utah.gov>, "mbooth@farmington.utah.gov" <mbooth@farmington.utah.gov>

Cc: "phelpsins@gmail.com" <phelpsins@gmail.com>, "svanotten@gmail.com" <svanotten@gmail.com>

Hello Ms. Rowe,

My name is Steve Van Otten. Chris Phelps is my friend and neighbor. Chris has agreed to sell me a strip of land from the very back of his lot.

Attached are the maps showing our homes and land (circled), and a rough sketch of the strip of land Chris wants to sell to me, highlighted in red.

Chris Phelps Home address:

1382 W 475 S

Lot: 08-074-0063

Steve Van Otten Home address:

1367 W Chestnut Ct

Lot: 08-547-0306

Please advise on what forms or documents we need to fill out, and what the process is for each of us to follow so we can complete this transaction.

Thank you,

Steve Van Otten

Cc: Chris Phelps

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

PUBLIC HEARING: North Farmington Station East Project Master Plan (PMP)/Development Agreement and Zone Change – STACK Real Estate

ACTION TO BE CONSIDERED:

1. Hold Public Hearing.
2. See enclosed staff report for recommendation.

GENERAL INFORMATION:

See enclosed staff report prepared by David Petersen, Community Development Director.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Honorable Mayor and City Council
From: David Petersen, Community Development Director
Date: June 21, 2020
SUBJECT: **North Farmington Station East Project Master Plan (PMP), Development Agreement, and Zone Change (PMP-2-20, Z-2-20)**

Applicant: **STACK Real Estate**

RECOMMENDATION:

1. Hold a public hearing.
2. Move that the City Council follow the June 11, 2020 recommendation of the Planning Commission and: A) approve the enclosed PMP, and accompanying development agreement subject to all applicable Farmington City development standards and ordinances and that the applicant shall incorporate any comments from the City's Development Review Committee (DRC), Site Plan and Architectural Review Committee (SPARC), and the City Attorney; and B) approve the enclosed enabling ordinance to rezone approximately 36.5 acres of property from A to OMU and OS with the following condition: The applicant must stake the proposed location of the trail(s) adjacent to Spring Creek from the UP tracks to the west boundary of the PMP and thereafter upon a favorable site visit and inspection by staff, the City Council shall rezone an acceptable amount of property abutting the center line of Spring Creek to OS (Open Space).

- OR -

3. Table consideration of the North Farmington Station East PMP, and development agreement, until such time as this portion of the application is reviewed and considered at the same time as the North Farmington Station West PMP, but approve the rezone request as set forth in the motion above.

Findings for approval

1. The developer desires to leverage proximity to I-15 by proposing office buildings visible from the freeway. This may also significantly increase the viability of the office park thereby enhancing the community's likelihood of providing a daytime population for its retail areas and at the same time shoring up Farmington's property tax base creating a more stable and diversified local economy for the future.

Moreover, the project will provide more employment opportunities here in Davis County which may result in less congested modes of transportation and cleaner air for its residents.

2. The Union Pacific and Frontrunner embankments significantly block the ability to see the project area by the freeway passerby on I-15. The developer is asking that the City allow the possibility of taller buildings next to the interstate, and the City concurs that such buildings should be visible from the freeway and substantial enough to accommodate a good employment population.
3. Transit is a key element to ensure the mixed-use office park's success. The North Farmington Station concept mirrors similar and existing successful projects across the country by providing a "front door/fixed transit stop" for its employees working and living in the area. The recommended PMP contemplates a one stop shuttle directly linking the Front Runner station to a remote transit hub in the heart of the proposed mixed-use development.
4. To implement the vision in Findings 1, 2, and 3 above, the location of the principal five lane north to south street ("Commerce Drive") illustrated in the UDA plan, which street provides the necessary connectivity between the Park Lane Interchange area and the future Shepard Lane Interchange to ensure that the Park Lane interchange does not fail, must move further to the west to allow space for said office buildings. The shift causes a realignment, or ripple effect, to all streets in the area and provides causation for the City to consider an amendment to the regulating plan consistent with the PMP. The alignment is also consistent with plans presented at an open house by the City on June 2, 2020.
5. The UDA plan recommends that the City locate Commerce Drive to the east or west of the mixed-use area (one side or the other), so as not to limit the walkability, human scale and vibrant, interactive, central magnet part of the mixed-use district. A western shift in Commerce Drive just enough to allow space for the office building next to the freeway places it too close to the center of the district compromising the mixed-use/pedestrian core. Therefore, the proposed PMP places Commerce Drive further to the west away from the middle.
6. The more successful office parks now nationwide provide a considerable/major residential component for their employees; furthermore, such workers list housing and commercial uses integrated with, or in close proximity to office uses as a significant reason to work for any given employer. The applicant's plan offers strong residential alternatives in the very core of their development within walking distance of work, transit, restaurant and recreation opportunities. [Note: STACK proposes to expand the Legacy Trail, a regional facility, north to the Haight Creek Trail, and a cross-project trail adjacent to Spring Creek (which east to west system includes a village green/gathering area) connecting the two north to south regional trails---the Legacy Trail and the existing D&RGW Trail.
7. The PMP/Development Agreement caps the amount of possible residential acreage within the project to ensure that residential uses will only mix with part of the site thereby not limiting the potential for office uses poised to occur in this prime real estate area between two freeway interchanges.

8. The proposed North Farmington Station East Project Master Plan and Development Agreement is consistent with the stated intent and purpose of the Farmington City General Plan and Zoning Ordinance for this district: including a fine grained mix of uses such as office, retail, and residential, an emphasis on bringing activity to the street and enhancing walkability, placing parking to the rear of buildings, creating public spaces and nodes, enhancing open space and connectivity and providing a live/work/play environment, etc.
9. The proposed North Farmington Station East Project Master Plan balances residential and retail, supporting the primary office use, which is the overarching intent of the OMU zone.
10. The fine-grained mixture of uses proposed in the North Farmington Station East Project Master Plan creates an office park that is unique to the State of Utah and will create a vibrant employment base for Davis County that fosters a live/work/play environment.
11. The proposed North Farmington Station East Project Master Plan will help to diversify and balance the City's tax structure through expanding its commercial property tax base, instead of relying too heavily on residential property and commercial sales tax.
12. The proposed PMP, development agreement, and the zone change are 1) reasonably necessary, 2) in the public interest, and 3) consistent with the city general plan and in harmony with the objectives and purpose of the zoning ordinance.

Background Information

In November of 2016, Chartwell Capital and the City contracted with Urban Design Associates (UDA) to conduct a planning charrette which produced a conceptual master plan for the 220+ acres of property north of Shepard Creek, west of the UP tracks, east of the D&RGW trail, and south of Shepard Lane. The charrette process involved receiving input from a number of stakeholders, including 13 property owners within and adjacent to the project area, city staff, local elected officials, and representatives from Chartwell Capital. The end result was a master plan document, or sub-area master plan to the City's General Plan, intended to guide and inform the development of a future mixed-use office park.

The above referenced applicant, STACK Real Estate, is now proposing a more specific Project Master Plan (PMP) encompassing some 104 + acres of the UDA master plan area for the reasons set forth in the findings below.

On Tuesday, June 2, 2020, Farmington City held an open house to receive citizen input regarding a proposed realignment to "Commerce Drive", which is the major north to south street intended to connect 950 North to Park Lane. The UDA plan shows the corridor for this principle street close to I-15 and the U.P. tracks. The proposed alignment is located further west at 1525 West. The North Farmington Station East PMP places the Commerce drive corridor in an alignment consistent with the information presented at the open house, and the enclosed PMP also shows a new principle street, "Digital Drive" between "Commerce Drive" and I-15 which is also consistent with plans displayed at the open house.

An issue remains regarding the development agreement---that is, the proposed office to residential ratio set forth in paragraph 5.b. of the enclosed development agreement. Although initially the applicant was in favor of such a ratio, he maintains that due to the present uncertain office market

because of the Coronavirus he cannot fulfill this commitment right now. This topic may be discussed in further detail at the meeting.

Supplemental Information

1. Vicinity Map
2. General Plan Future Land Use Map
3. UDA Master Plan
4. Enabling Rezone Ordinance
5. Zoning Map
6. Existing Regulating Plan
7. North Farmington Station East Development Agreement
8. North Farmington Station East Project Master Plan (PMP)

Respectfully Submitted



David Petersen
Community Development Director

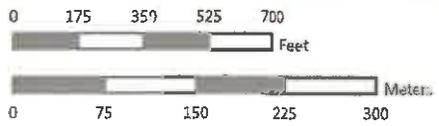
Concur



Shane Pace
City Manager

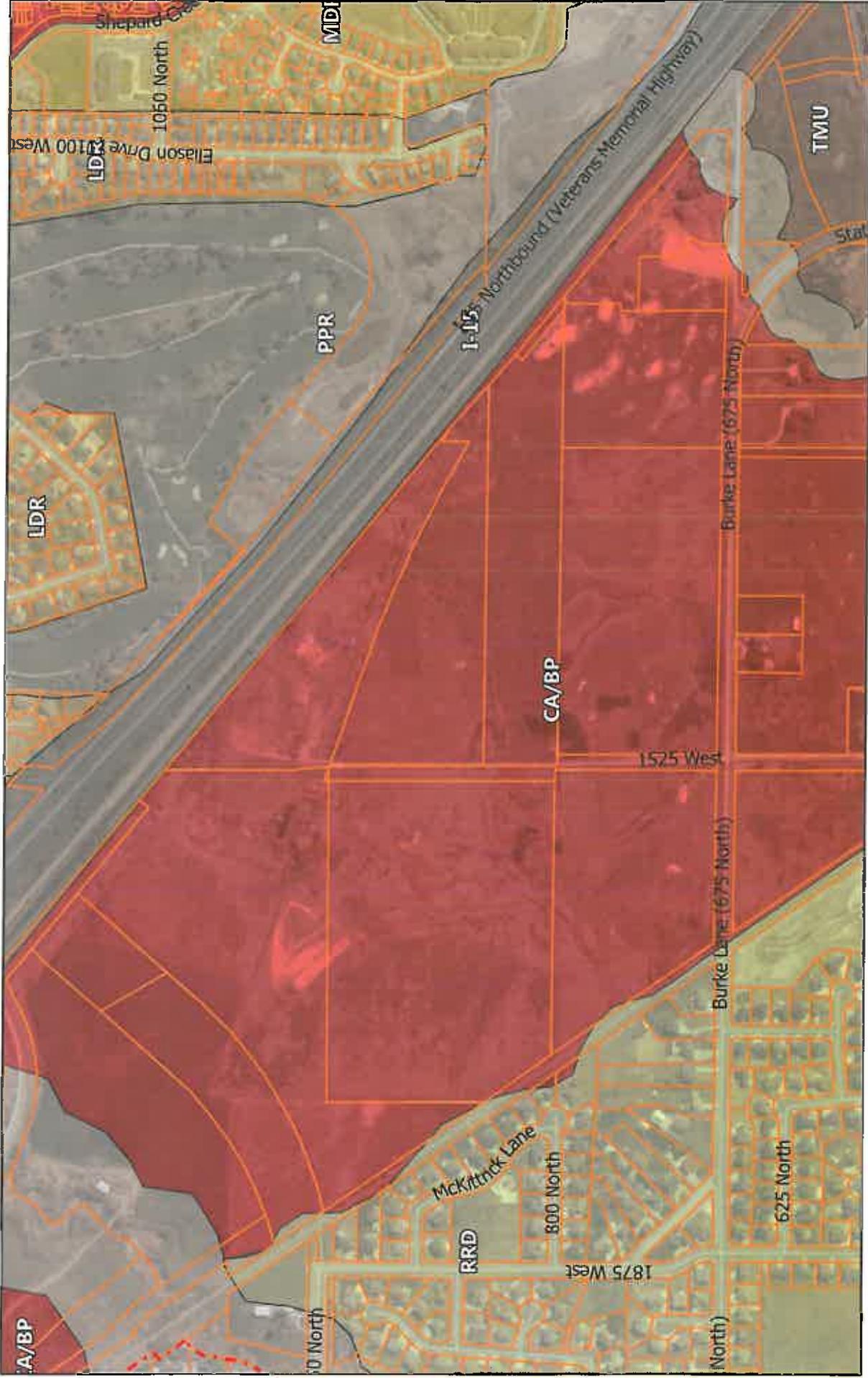


VICINITY MAP
Stack Real Estate Area



Disclaimer: This map was produced by Farmington City GIS and is for reference only. The information contained on this map is believed to be accurate and suitable for limited uses. Farmington City makes no warranty as to the accuracy of the information contained for any other purposes.

ArcGIS Web Map



6/18/2020, 1:54:29 PM

-  Farmington City Boundary
-  Parcels
-  CA/BP - CLASS A BUSINESS PARK
-  GC - GENERAL COMMERCIAL

1:9,028



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, Farmington City, USDA FSA 1



ILLUSTRATIVE PLAN

1 DECEMBER 2016
NORTH STATION MASTER PLAN | FARMINGTON, UTAH

FARMINGTON, UTAH

ORDINANCE NO. 2020 -

AN ORDINANCE AMENDING THE ZONING MAP TO SHOW A CHANGE OF ZONE FOR PROPERTY LOCATED AT APPROXIMATELY 875 NORTH 1525 WEST BETWEEN 1525 WEST AND I-15 FROM A TO OMU AND OS.

WHEREAS, the Farmington City Planning Commission has reviewed and made a recommendation to the City Council concerning the proposed zoning change pursuant to the Farmington City Zoning Ordinance and has found it to be consistent with the City's General Plan; and

WHEREAS, a public hearing before the City Council of Farmington City was held after being duly advertised as required by law; and

WHEREAS, the City Council of Farmington City finds that such zoning change should be made;

NOW, THEREFORE, BE IT ORDAINED by the City Council of Farmington City, Utah:

Section 1. Zoning Change. The property described in Application # Z-2-20, filed with the City, at approximately 875 North 1525 West between 1525 West and I-15, identified by parcel numbers 080580020, 080580016, 080600026, and 080600027, and comprising 36.44 acres, is hereby reclassified from zone A to zone OMU and OS, said property being more particularly illustrated/described as set forth in Exhibit A attached hereto and by this reference made a part hereof.

Section 2. Zoning Map Amendment. The Farmington City Zoning Map shall be amended to show the change whereby the north and south boundaries of the OS zone next to Shepard Creek shall be determined upon approval by the City of a preliminary subdivision plat and a schematic site development plan.

Section 3. Effective Date. This ordinance shall take effect immediately upon final passage by the City Council.

DATED this 23rd day of June, 2020.

FARMINGTON CITY

ATTEST:

H. James Talbot
Mayor

Holly Gadd
City Recorder

EXHIBIT A

Davis County Serial Number 080580020

BEG ON N'LY LINE OF OLD OSL RR R/W AT PT 7.35 CHAINS N & 100.62 FT N FR SW COR OF NE 1/4 SEC 14-T3N-R1W, SLM; TH SE'LY ALG SD R/W 21.00 CHAINS, M/L, TO S'LY BNDRY LINE OF UPRR R/W; TH N 50°33' W ALG SD R/W LINE 1690.92 FT, M/L, TO BNDRY LINE AGMT 2435-640; TH ALG SD AGMT 3 COURSES AS FOLLOWS: S 0°05'55" W ALG AN EXIST FENCE LINE 520.46 FT, CONTINUING ALG SD FENCE S 6°35'33" E 120.70 FT & S 0°13'11" W 28.54 FT TO SD N'LY LINE OF OLD RR R/W; TH SE'LY ALG SD R/W 50.95 FT TO POB. ALSO 2 RODS R/W ALG W SIDE OF ABOVE. ALSO THAT PART OF R/W HERETOFORE OCCUPIED BY OSL RR CO IN & ACROSS THE SW 1/4 OF NE 1/4 OF SEC 14. CONT. 11.86 ACRES

Davis County Serial Number 080580016

BEG AT A PT WH IS S 89°50'04" W 43.56 FT ALG THE SEC LINE & S 0°20'03" E 143.95 FT FR THE CENTER OF SEC 14-T3N-R1W, SLM; & RUN TH S 89°40'36" E 1,579.89 FT TO A PT ON THE SW'LY BNDRY OF THE UPRR R/W & AN EXIST FENCE LINE; TH NW'LY 334.71 FT ALG SD FENCE LINE ON THE RR R/W BNDRY & THE ARC OF A 19,537.31 FT RAD CURVE TO THE LEFT THRU A CENTRAL ANGLE OF 0°58'53" (RAD PT BEARS S 40°20'49" W FR THE BEG OF THE CURVE); TH S 0°20'03" E 121.50 FT ALG THE E'LY LINE OF LOT 4, BLK 34 BIG CREEK PLAT, FARMINGTON TS SURVEY TO A PT ON THE SW'LY BNDRY OF THE OLD OREGON SHORES RR R/W & AN EXIST FENCE LINE; TH NW'LY 1,436.44 FT ALG SD FENCE LINE ON THE RR R/W BNDRY & THE ARC OF A 7,810.73 FT RAD CURVE TO THE LEFT THRU A CENTRAL ANGLE OF 10°32'13" (RAD PT BEARS S 27°33'07" W FR THE BEG OF THE CURVE); TH S 0°20'03" E 628.01 FT TO THE POB. CONT. 12.290 ACRES

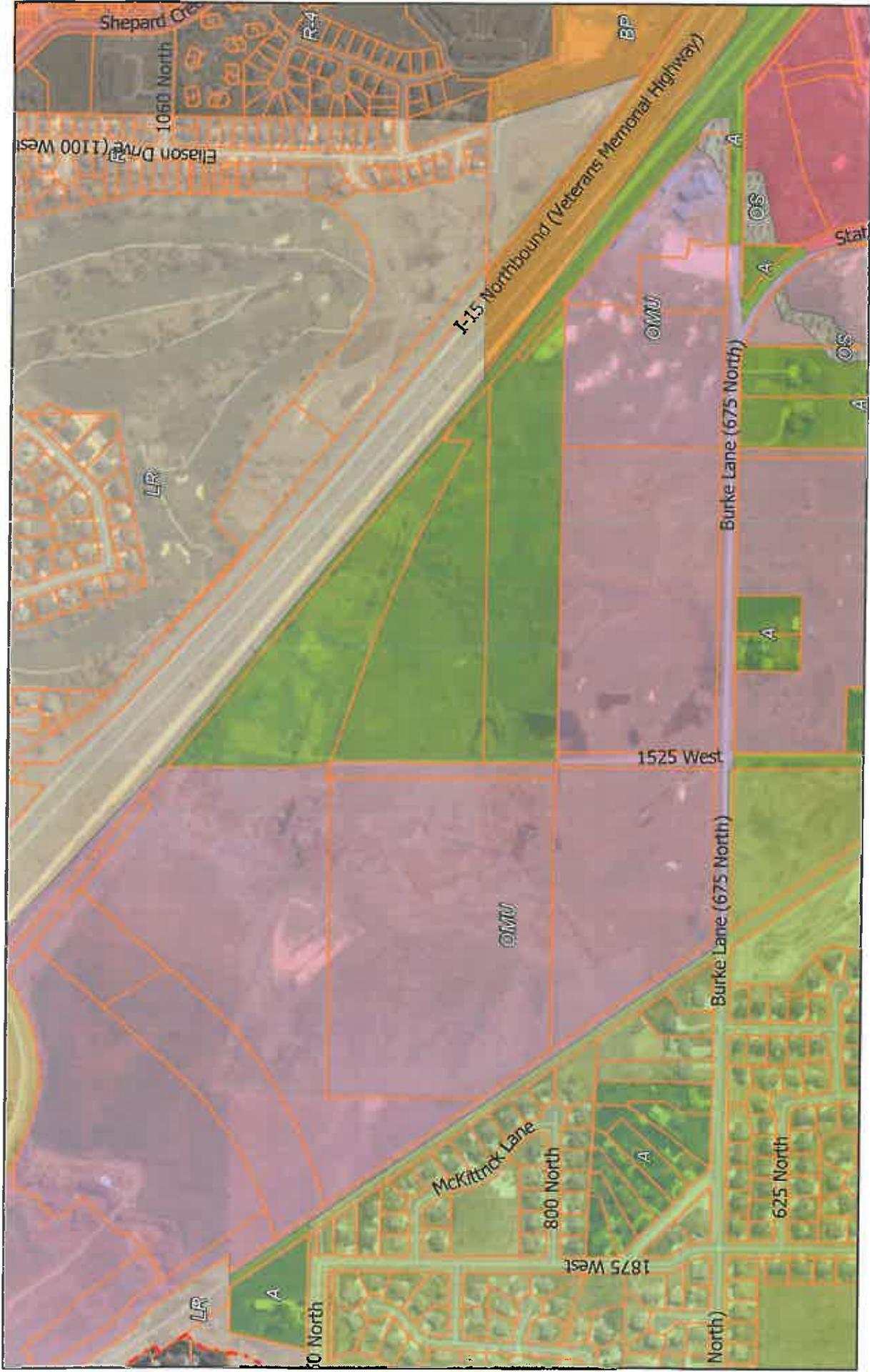
Davis County Serial Number 080600026

BEG AT A PT WH IS S 89°50'04" W 43.56 FT ALG THE SEC LINE & S 0°20'03" E 448.73 FT FR THE CENTER OF SEC 14-T3N-R1W, SLM; & RUN TH S 89°40'36" E 1,876.76 FT ALG THE EXT S BNDRY OF LOT 4, BLK 34, BC PLAT, FARMINGTON TS SURVEY; TH N 50°53'05" W 271.56 FT; TH N 39°06'56" E 35.44 FT TO A PT ON THE SW'LY BNDRY OF THE UP RR R/W & AN EXIST FENCE LINE; TH NW'LY 153.74 FT ALG SD FENCE LINE ON THE RR R/W BNDRY & THE ARC OF A 19,537.31 FT RAD CURVE TO THE LEFT THRU A CENTRAL ANGLE OF 1°22'13" (RAD PT BEARS S 41°43'02" W FR THE BEG OF THE CURVE); TH N 89°40'36" W 1,579.89 FT; TH S 0°20'03" E 304.78 FT TO THE POB. CONT. 12.057 ACRES.

Davis County Serial Number 080600027

BEG AT A PT N 2340.45 FT & W 1016.32 FT FR THE SE COR OF SEC 14-T3N-R1W, SLM; & RUN TH N 39°06'56" E 35.44 FT, M/L, TO THE W'LY LINE OF THE OSL RR R/W; TH S 50°34'15" E 313.53 FT TO THE S LINE OF GRANTOR'S PPTY; TH N 89°40'36" W 53.83 FT; TH N 50°53'05" W 271.56 FT TO THE POB. CONT. 0.233 ACRES.

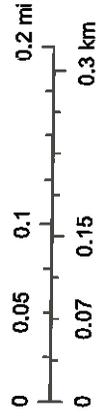
ArcGIS Web Map



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- Farmington City Boundary
- Parcels
- A
- AE
- LR
- LS
- R
- R-4
- OS
- BP

1:9,028



DEVELOPMENT AGREEMENT
FOR
NORTH FARMINGTON STATION EAST

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____ 2020 by and between FARMINGTON CITY, a Utah municipal corporation, hereinafter referred to as the "City," and STACK REAL ESTATE, LLC, a Utah limited liability company, hereinafter referred to, collectively with its assignees, as "Developer."

RECITALS:

A. Developer has the right to acquire approximately 92 acres of land, and the City and others own the remaining land, within the boundary set forth in Exhibit "A" attached hereto and by this reference made a part hereof (the "Property"). Developer desires to develop the Property under the OMJ zone, to be known as "North Farmington Station East".

B. On _____, 2020, the City approved a project master plan (the "PMP") for the Property in accordance with Chapter 18 of the City's zoning ordinance. The approved PMP is attached hereto as Exhibit "B" and incorporated herein by reference. The purposes of the PMP includes, among other things, the establishment of uses and minimum building heights applicable to the respective areas of the Property, as set forth in the PMP, although the PMP is not intended to enable future development of the Property without final subdivision and site plan approval with respect to each phase.

C. The Property is subject to the City's Laws, including without limitation Section 11-18-140 of the City's zoning ordinance, pursuant to which this Agreement shall supersede the City's Laws with respect to the matters set forth herein.

D. Persons and entities hereafter developing the Property or any portions of the Property shall accomplish such development in accordance with the City's Laws and the provisions set forth in this Agreement.

E. The City also recognizes that the development of North Farmington Station East, and any future phase thereof, may result in tangible benefits to the City through the stimulation of development in the area, including a possible increase of the City's tax base and the development of amenities that may enhance further economic development efforts in the vicinity of the Property, and is therefore willing to enter into this Agreement, subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer hereby agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Agreement.

2. **Definitions.** In addition to the other capitalized terms defined elsewhere in this Agreement, the following terms shall have the respective meanings indicated below:

a. "City's Laws" means, collectively, all City ordinances, rules and regulations, including the provisions of the City's General Plan, the City's zoning ordinances, the City's engineering development standards and specifications, and any permits issued by the City pursuant to the foregoing ordinances and regulations.

b. "Effective Date" has the meaning set forth in Section 3.

3. **Effectiveness.** This Agreement, including the PMP, shall become effective for the respective parcel on the date that Developer acquires fee title to the following parcels (as identified pursuant to a Davis County Assessor property search): Parcel ID 08-058-0020, 08-058-0016, 08-060-0026, 08-060-0003, 08-057-0015, 08-057-0053, 08-057-0046, 08-057-0064 (the "Effective Date").

4. **Alternative Approval Process.** The City has held all public hearings necessary for, and has approved the PMP. Such approval of the City council shall remain in full force and effect from the date hereof until the termination of this Agreement. Developer and/or Developer's successors and assigns may from time to time apply to develop any phase of North Farmington Station East greater than two and half (2.5) acres in size in accordance with an alternative approval process as set forth in section of 11-18-140 of the City's zoning ordinance. Developer shall be entitled to bring such future applications under section 11-18-140 of the City's zoning ordinance, even if a future phase is less than 25 acres in size. Such future applications may deviate from the PMP approved hereunder at the discretion of the City and shall be considered according to the procedures and standards for approval set forth in section 11-18-140 of the City's zoning ordinance.

5. **Uses of the Property.** The uses of the Property and the respective areas of the Property designated for each such use shall be as set forth in the PMP.

a. **Building Height Limits.** Minimum building heights shall be regulated per the PMP – Exhibit B.

b. **Office to Residential Acreage Ratio.** Office to residential acreage ratio shall be regulated per the PMP – Exhibit B as follows: i) There shall be no Residential Use Structures constructed until the first Office Building has commenced construction in the Class A Office Land Use Area; at which point residential construction shall not exceed the ratio of 1 acre of Office to 3 acres of Residential Use; and ii) The ratio of Office Use to Residential Use shall not apply after the commencement of construction of a third office building.

c. **Zoning Ordinance Sections as of Effective Date.** Throughout the term of this Agreement, the Property shall be regulated per Title 11, Chapter 18, specifically Section 11-

11. **No Third-Party Rights.** The obligations of Developer set forth herein shall not create any rights in and/or obligations to any persons or parties other than the City. The parties hereto alone shall be entitled to enforce or waive any provisions of this Agreement.

12. **Recordation.** This Agreement shall be recorded by the City against the Property in the office of the Davis County Recorder, State of Utah.

13. **Relationship.** Nothing in this Agreement shall be construed to create any partnership, joint venture or fiduciary relationship between the parties hereto.

14. **Term.** This Agreement shall become effective upon the Effective Date and shall continue in full force and effect from such date until the date that is thirty (30) years after the City's completion of construction of the arterial and principal roads shown in the PMP, unless terminated earlier pursuant to Section 15 below.

15. **Termination.** Notwithstanding the foregoing, if Developer has not commenced development activities on the Property within five (5) years after the principal roads are completed, the City may request Developer to provide the City with reasonable plans and assurances that Developer will develop the Property in accordance with this Agreement. In such event, Developer shall have 120 days after receiving such request from the City to provide the City with such information. If Developer fails to respond to such request within such time period, or responds within such time period with plans and assurances that are unacceptable to the City in the City's reasonable discretion, the City may terminate this Agreement by giving written notice to Developer within sixty (60) days following the termination of the 120-day response period described above.

16. **Severability.** If any portion of this Agreement is held to be unenforceable or invalid for any reason by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

17. **Amendment.** This Agreement may be amended only in writing signed by the parties hereto. The parties acknowledge that Developer intends to acquire additional parcels of real property located adjacent to or near the Property, and the parties desire that Developer develop such additional parcels of Property pursuant to this Agreement to facilitate the consistency of the development of the Property and such additional parcels. Accordingly, the parties agree to amend this Agreement to include within the scope and definition of the "Property" hereunder any additional parcels of real property acquired by Developer or its affiliate within area of the City bounded by Shepard Lane on the north/northwest, Interstate 15 on the northeast, Park Lane on the southeast, and the Denver and Rio Grande Western Rail Trail on the southwest.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first hereinabove written.

“CITY”

FARMINGTON CITY

ATTEST:

City Recorder

By: _____
Mayor

“DEVELOPER”

STACK REAL ESTATE, LLC

By: _____
Andrew Bybee, Manager

CITY ACKNOWLEDGMENT

STATE OF UTAH)
).ss.
COUNTY OF DAVIS)

On the ____ day of _____, 2020, personally appeared before me H. James Talbot, who being duly sworn, did say that he is the Mayor of FARMINGTON CITY, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the City by authority of its governing body and said H. James Talbot acknowledged to me that the City executed the same.

Notary Public

DEVELOPER ACKNOWLEDGMENT

STATE OF UTAH)
 :ss
COUNTY OF DAVIS)

On the _____ day of _____, 2020, personally appeared before me Andrew Bybee, who being by me duly sworn did say that he is a manager of STACK Real Estate, LLC, and that the foregoing instrument was signed in behalf of said limited liability company by virtue of the authority granted to such manager under the operating agreement of said limited liability company, and he acknowledged to me that said limited liability company executed the same.

Notary Public

ATTACHED EXHIBITS:

- EXHIBIT "A" – LEGAL DESCRIPTION OF THE PROPERTY
- EXHIBIT "B" – PMP (PROJECT MASTER PLAN)
- EXHIBIT "C" – SECTION 11-18-050 AND SECTION 11-18-060 OF FARMINGTON CITY ZONING ORDINANCE

STACK
REAL ESTATE



PSOMAS

NORTH FARMINGTON STATION
Project Master Plan (PMP) East Area

MAY 29, 2020

May 23, 2020

To the Farmington City Mayor, City Council, Planning Commission

In Care of Mr. David Paterson, Community Development Director

Farmington City, Hall

160 South Main Street

Farmington City, Utah 84025

**Re: North Farmington Station - East Area
STACK Real Estate Project Master Plan Submittal**

We are pleased to submit our Project Master Plan (PMP) for the North Farmington Station to Farmington City. Accompanying this, you will find our complete PMP Submission along with our Petitions for Rezoning and Alternative to the Approval Process (Section 140). We are excited to be partnering with Farmington City in taking the next steps forward in bringing the long-envisioned North Farmington Transit Oriented Development to fruition. We believe that this Project Master Plan is possible due to the foresight of the City to recognize the importance of this district and to bring forth the tools needed to bring it to pass in terms of City Planning and City Engineering and City Vision.

We have assembled a Development Team to work with Farmington City that is absolutely invested in the same long-term vision:

STACK Real Estate has developed millions of square feet of Transit Oriented property all along the Wasatch Front including the Thanksgiving Point Light Transit Station District and the South Jordan Transit Station District, along with ongoing future developments all along the state's transit corridor.

Architectural Nexus has been involved with the Farmington City team in establishing the roots of what the district is growing into with their planning and design work at Station East, along with continuing planning and design work with TOD sites throughout the region.

We had the opportunity to visit Transit Oriented Development, along with Farmington City Officials, in Denver as a Public & Private Team to see some examples of what is happening along Denver's transit corridor, particularly at the Transit Stations. We were able to draw comparisons between what we had seen in Colorado and the many examples of Transit Oriented Development around the country. That said, we were also able to discuss the unique attributes of the North Farmington Station District and the applications that will make this a truly exceptional place. We are pleased that Farmington City has captured the vision and truly understands the importance of creating Transit Oriented Development that embraces the idea of creating an unquestionably spectacular place.

In order to do all of this, we have been genuinely fortunate to have been able to capture control of enough property to really do this right – that is over 130 acres. Our PMP brings with it the ability to completely ignore the "historic" property lines and take the majority of the remaining area in the Fixed-Use District and to develop it in partnership with Farmington City into the fulfillment of an extraordinary vision. That is bringing Transit Oriented Development to the level that it should be. This PMP brings the intensity of a Class A Tech Office/ Employment Center with one million square feet of office use along with a sustainably connected and walkable neighborhood of residential development that is the proven next step in capturing the essence of what North Farmington Station should be. All of this, including bringing the street and trail network completely thru the area and developing a permanent connection to the UT- station that is already established.

We would be remiss if we did not mention our appreciation to the many Members of the City's team who have worked with us to this point and look forward to a long and rewarding experience together. And, we are genuinely appreciative of you and your effort in working with us and pledge to do our utmost to continue the cooperative teaming relationship that we have established.

Sincerely,



Nathan Ricks
Owner
STACK Real Estate



Andrew Bybee
Owner
STACK Real Estate



Trevor Evans
VP, Development
STACK Real Estate



Doug Thimm, AIA
Senior Principal
Arch|Nexus



David Abraham, AIA
Principal
Arch|Nexus

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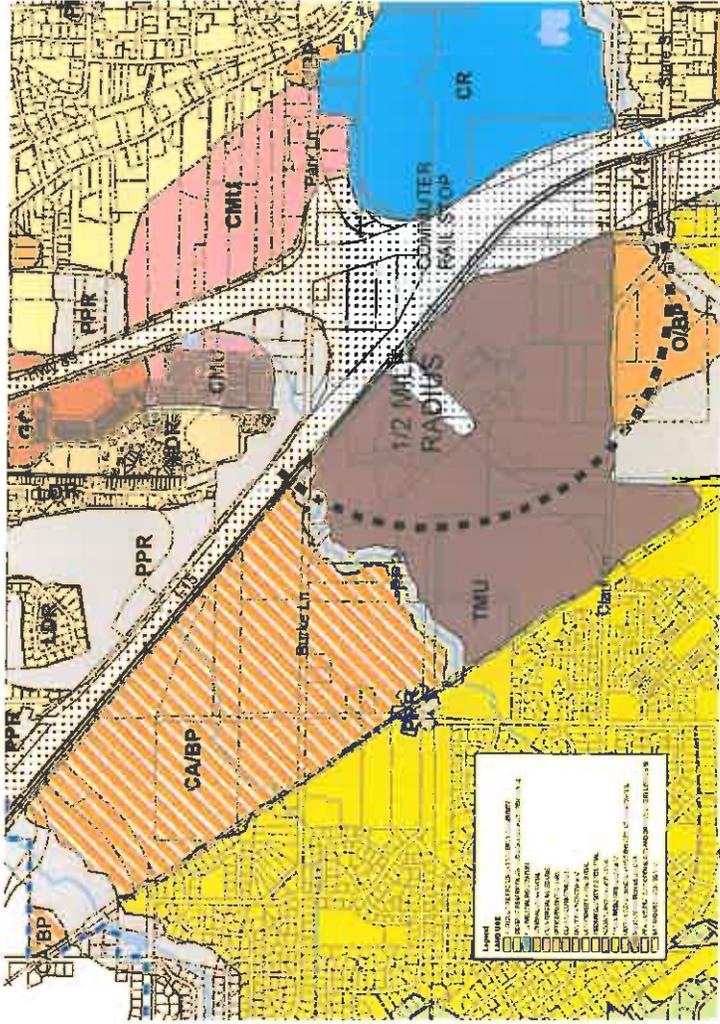
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GENERAL LAND USE PLAN
FARMINGTON CITY

PROJECT MASTER PLAN NARRATIVE

PURPOSE

The Mixed-Use District Zoning Ordinance (Farmington City Zoning Regulations Chapter 18) establishes development standards and guidelines that are enacted to provide and encourage a compatible mix of uses, rather than a separation of uses, that is consistent with the objectives of the Farmington City General Plan. Flexibility in design and the uses allowed is provided to encourage a diversity of uses that can respond to market forces while being consistent with a design that promotes a transit and pedestrian oriented pattern of development.

The Farmington City General Plan establishes this as a "Class A Business Park".

We agree with this and are supportive of the City's intent to bring the OMU Zoning to this area, along with developing this as a true Transit-Oriented District.



FARMINGTON ZONING MAP



PROPOSED REZONE MAP

PROPERTY TO BE REZONED BY DEVELOPER

CREEK, AS COORDINATED BY FARRINGTON CITY.

CMU Zoning

The intent of this PMP is to petition for OMU Zoning for the entirety of the area included within the PMP, which is not now already zoned as OMU:

Office Mixed Use District (OMU): The OMU district is intended to be primarily office and commercial, with multiple-unit dwellings allowed as a secondary use. It includes commercial uses appropriate for high-visibility locations such as general office, campus uses, and employment centers near collector or arterial streets. The purpose of the district is to encourage office uses in general, allow for a higher intensity of commercial uses than in the RMU, spatially define streets, encourage higher site and building standards, and create an attractive pedestrian environment. Uses that are incompatible with this purpose, including auto related uses, such as repair shops, and industrial uses are not allowed.

REZONE PETITION

This majority of the property has already been rezoned as OMU with the remainder to be rezoned to OMU and OS (Open Space) as indicated in the Proposed Rezone Map, from the existing Agricultural (A) Zoning.

OBJECTIVES OF THIS TRANSIT ORIENTED PMP:

The objectives of this PMP is to align with the Vision and Purpose of Farmington City and the Development team. This is a TOD site and with that goes the ability to bring forth the pre-concepts of successful Transit Oriented Development:

A. Create an exciting destination

This PMP is all about creating an exciting destination. And, actually, this District has already established itself as a Regional Destination. The land area of this PMP features the continuance of a vital TOD Site. Care is being taken to create a vibrant and well-connected community featuring employment opportunities for people along with the necessary residential units to support this type of development, as well as providing usable open space environments and commercial venues intended to draw people from other areas.

B. Create a complete community

This Mixed-Use Transit Oriented PMP fosters a healthy, walkable and sustainable district, which knits into the community neighborhood fabric providing commerce (restaurant, and retail opportunities) along with public open space for both passive and active use.

C. Provide community assets

This PMP embraces the community with open space amenities along with setting aside land for natural Creekside area, and trail systems including Transit Connections and access to other site amenities intended for the use of residents and visitors.

D. Promote quality urban design

Our vision is that of continuing the development of a "Great Place" with a sensitive urban solution to land use, integrating complete streets and a pedestrian/bike network including generous landscaping based on an indigenous planting material palette along with high quality and sustainable architecture. This plan incorporates a town square plaza and park area as part of the urban core providing a visible and convenient place for gathering and activation.

E. Connect the site to the city and region

This PMP intentionally establishes a safe and healthy solution for residents and office users to circulate throughout the district via an urban street network and connecting pedestrian/bike pathways. The connectivity of the urban plan provides for accommodation for transit users connecting to the FrontRunner and bus transit options via a direct shuttle between Renckle Transit Station at the Village Cora and UTA FrontRunner Station.

F. Promote the City's heritage

The architectural language of the project is intended to be composition of buildings expressing the heritage of Farmington including materiality and proportion of building size and scale as provided for in the precedent imagery, while also being composed of sustainable contemporary elements. Of course, there will be different scales of development throughout the site that will serve to establish a contextual randomness of character. The materials will include Farmington Rock, brick, concrete, metal panels, weathering steel, wood, along with limited amounts of stucco and cement siding. The buildings themselves will be designed with the traditional elements of defined bottom/middle/top elements of composition.

The employment center office area will be amenitized by active and passive areas and uses that support the workforce that will live, work, and play at North Farmington Station. Open space and connections will be included connecting the office area to the rest of the site.

DESCRIPTION OF LAND USE CONCEPTS

The Land Uses included within this Project Master Plan (PMP) are thoughtfully planned with the intention of continued growth of the Transit Oriented Development (TOD) that began with Station Park and J has continued to this point. The Land Uses are compatible with both the Farmington City General Plan and the City District. The uses include:

- Class A Office
- Commercial/Hospitality
- Mixed-Use Commercial/Residential
- Open Space

NORTH FARMINGTON STATION EAST CONCEPTUAL LAND USE AREA TAKE OFFS	
May 29, 2020	
Use	Approx. Acres
Class A Office	29
Commercial/Hospitality	15
Subtotal Class A Office & Commercial/Hospitality	44
Mixed-Use Commercial/Residential	38
Subtotal Mixed-Use & Residential Use Area	38
Total	77

Note: Conceptual Land Use Areas are approximate and subject confirm based on an ALTA survey

Roads	15
Open Space	OPEN SPACE WILL BE COMPLIANT WITH OMI ZONING (sec 11-18-060) This includes 5 acres of creekside open space

The Planned Uses are intended to create a healthy, and walkable continuation of the District in development of continuity and purpose of placement, in developing a fabric of synergistic elements. The master planning has worked within the framework of Farmington City's Mixed-Use Districts Zoning Ordinance and the City's General Plan. The basic premise is creating a holistic solution in proximate development of:

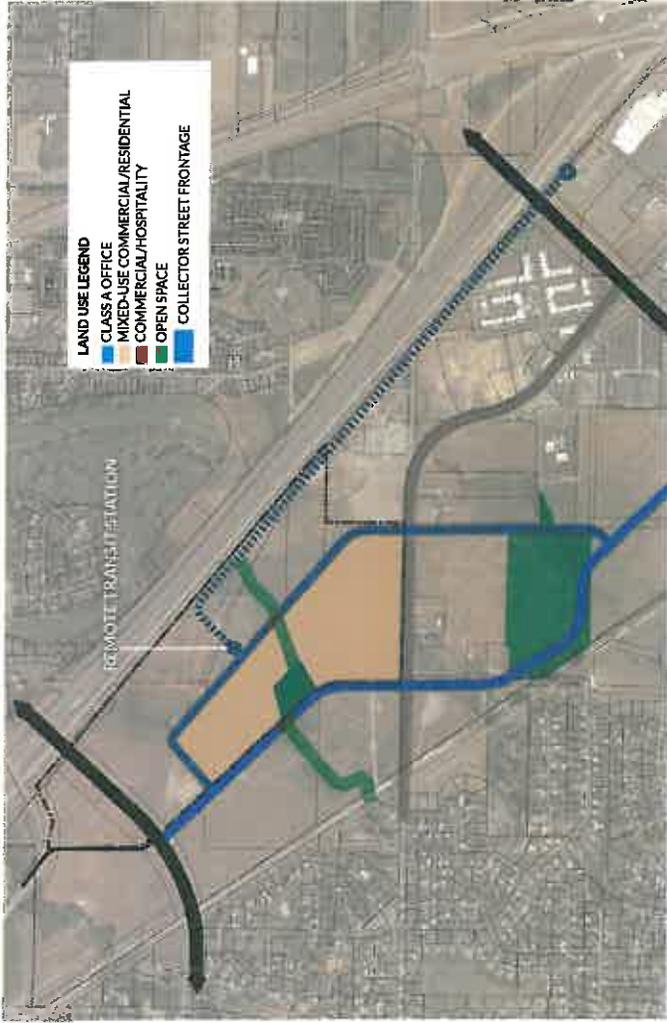


CLASS A OFFICE

COMMERCIAL/HOSPITALITY

Class A Office Employment Opportunities that arise, by visual necessity, located along the Interstate 15 frontage and take advantage of a new Remote Transit Station that is intended to extend Farmington UT. FrontRunner Station's reach into the core of a Class A "Tech Centered" Office Development. Situating this at a transportation station will cause vitality and will provide Farmington City with a sustainable district for decades to come.

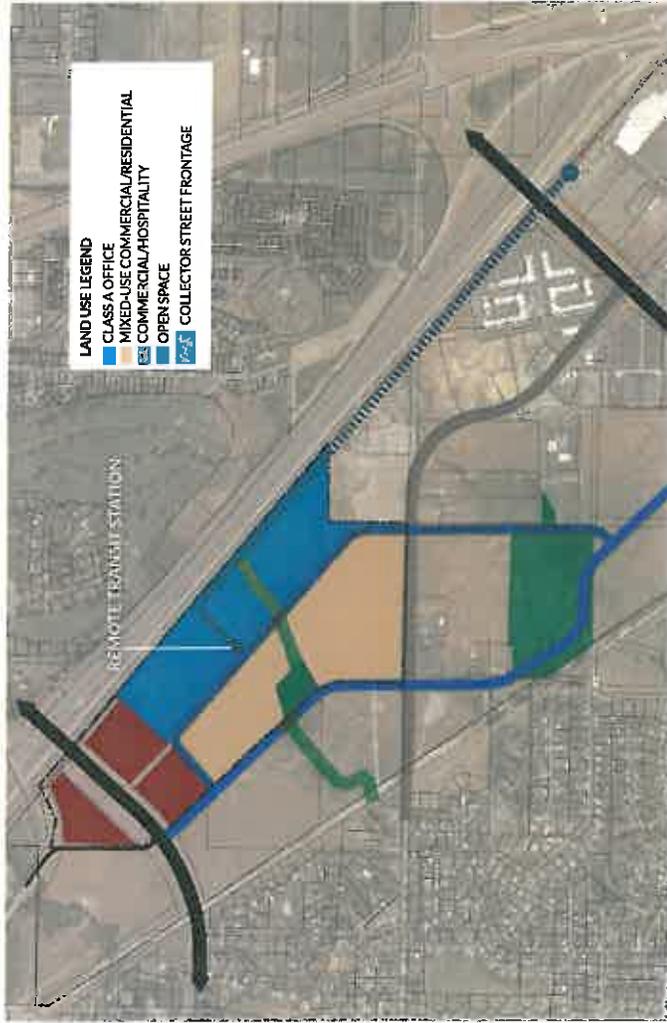
Commercial/Hospitality is a logical extension of Transit Oriented Development. Miscellaneous support commercial uses provide for the establishment of the services and needs that are essential to the district. Of specific note with respect to the business of doing business in a Class A Office environment is the establishment of hotel accommodations, professional office opportunities, multi-story self-storage, neighborhood services, and the like.



MIXED-USE COMMERCIAL/RESIDENTIAL

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Mixed Use Commercial/Residential is an absolute necessity to the sustainability and viability of the district. The infusion of housing within a TCD is what brings the neighborhood vitality. This must be more than a "9-10-5 office park". To thrive, it must be a 24-7 community with real places for people to live. It will be important to provide for a variety of housing types that will appeal to people of differing needs and income levels. Commercial development is intended to enliven this part of the district and create a walkable complement to the regional drive of Station Park. The idea is to create the energy and life that results from having restaurants, shops, and services in close proximity to Class A Office and complementary residential development.



LAND-USE PLAN

LAND USE DEVELOPMENT PARAMETERS

- The Class A Office Land Use area will be limited to office and parking structure uses only with the exception of the Principal Road Collector Street Frontage which may include Mixed Use Commercial/Residential to screen structure; or to create a Mixed-Use environment as indicated by the Land Use Plan.
- Building Heights by Land Use Area:
 - Class A Office: 5-Stories minimum
 - Commercial/Hospitality
 - Mixed-Use Commercial/Residential: 3-Stories minimum.

PARKING STRATEGY

The City's Zoning Ordinance establishes the parking basis for Farmington City in Chapter 33. The minimum parking requirements are based on the Uses served:

- Office: 3 parking stalls per 1,000 sf of floor area
- Multifamily: 1.6 stalls per unit and .25 guest stalls per unit
- Commercial: 4 stalls per 1,000 sf of floor area
- Restaurants: 12 stalls per 1,000 sf of floor area

The City's Mixed-Use Ordinance Chapter 18 further defines the parking requirements for Transit Oriented Development, and minimizes the parking rate Transit Oriented Development based on proximity to the Transit Station. With the inclusion of the proposed location of the Remote Transit Station on this site, the minimum parking ratios are significantly reduced:

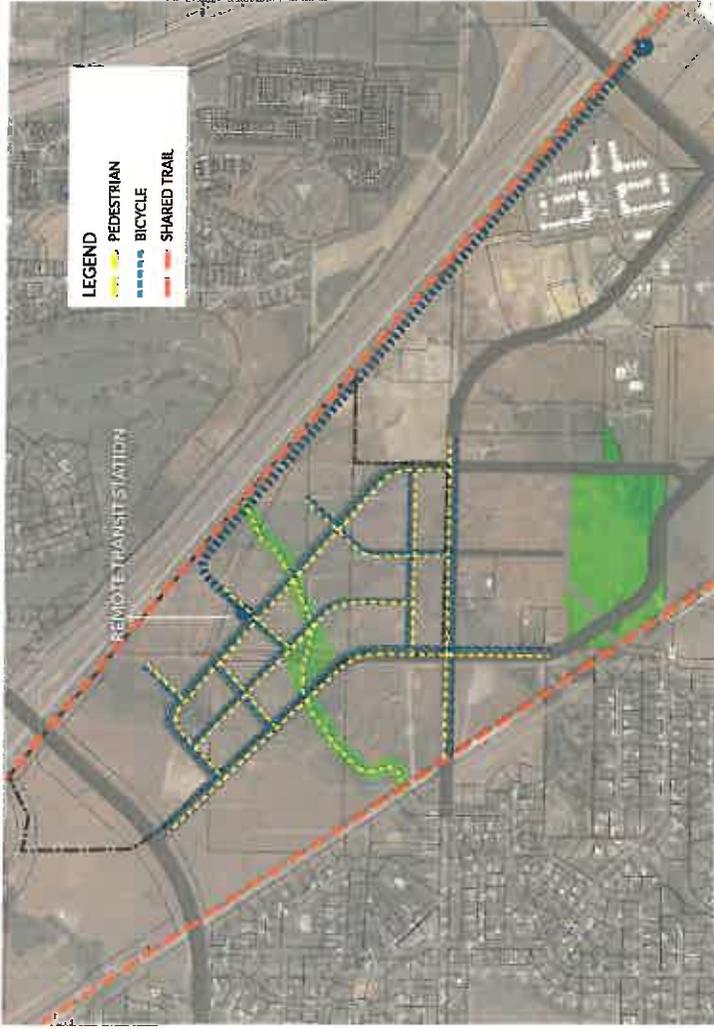
	Within 1/4 Mile Of Transit Station	Within 1/2 Mile Of Transit Station	Within 1/2 Mile Of Transit Station
Office	50%	40%	25%
Retail/commercial	50%	40%	25%
Residential	40%	25%	15%
Civic/public	50%	40%	25%

It is important to have the right amount of parking for the uses within the PUP. Proper planning should preclude both not enough parking as well as too much parking. The Zoning Ordinance provides for reductions based on shared parking analysis that may be implemented in order to take advantage of complementary uses for further reduction. The fulfillment of this PUP will include a parking study and shared parking analysis if any further reduction to the required parking is to be implemented on a project specific basis. The actual parking that will be provided will be within these parameters as a minimum, with the caveat that the market and the needs of the particular user will drive the final number of stalls provided.

EXISTING CONDITIONS AND NARRATIVE

The existing conditions of the PMP area are primarily that of properties that have been under the ownership of multiple owners over the years. The property is now vacant. However, in years past, the usable portions have been utilized for both farming and parking. In addition to the "usable land", the Card Creek passes thru the land from east to west and there are some associated wetlands that have been identified throughout the property. Also, there are some underground utilities in areas of the property and overhead power lines occur along the Interstate 15 frontage area. As development becomes imminent, the property will be fully surveyed and wetlands will be delineated in a proper fashion.

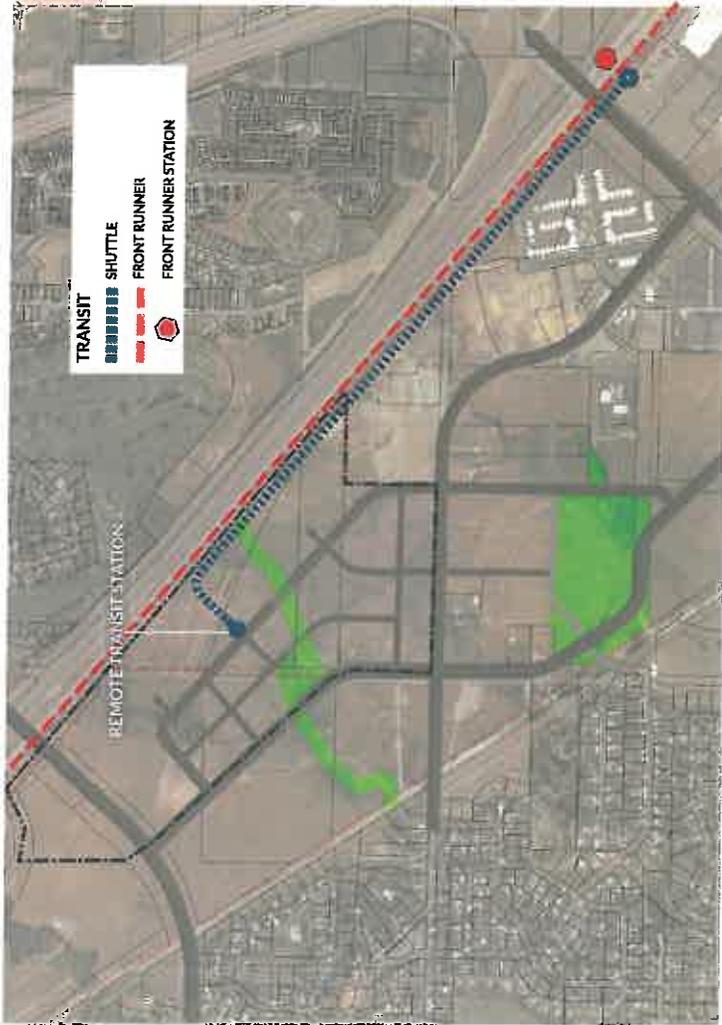




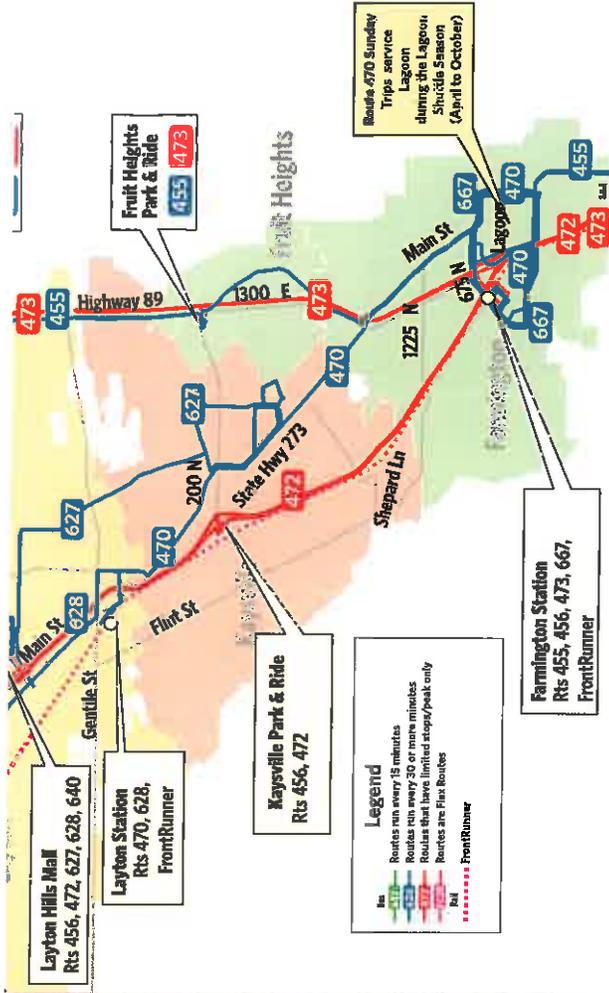
PEDESTRIAN AND BICYCLE CIRCULATION

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TRANSIT CONNECTIONS



© DAVIS & WEBER, COUNTY SYSTEM M.A.P. - RIDERUTA.COM

TRANSIT CONNECTIONS

SEQUENCE AND TIMING

The sequence of development actually begins with municipal improvements, some of which are underway, and others, which are planned to start in the near (within 12 month) term. These include:

- *Construction of Rights of Way including Burke Lane – now under construction.*
- *Development of the City's regional detention facility. This includes the placement of new storm water pipes extending to the north, which will serve (in part) the area of this PMP.*
- *Extension of the Central Davis sanitary sewer system, which will serve (in part) the area of this PMP*
- *Public roadway construction*
- *Etc*

The full development of the PMP will be a process that play out over many years in multiple phases. Some of the work will begin and occur concurrently with the municipal improvements and some of which depend on municipal improvements to be completed, including:

- *Property survey of the PMP area*
- *Delineation of any wetlands within the PMP area*
- *Subdivision plats including Right of Way dedications for city roads and utilities*

The construction timeline of commercial and residential will be market driven. Once there is a sufficient mass of people and buildings for daytime traffic (office) and evening traffic (residential), restaurants and other supporting retail services would be introduced.

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MEMORANDUM

Date: May 28, 2020
To: Farmington City
From: Hales Engineering
Subject: Farmington Stack TOD TIS



UT19-1601

This memorandum discusses the regulating plan submittal completed for the Farmington Stack TOD project. Included in this document is an analysis of the anticipated trips generated by the development, reductions to traffic based on internal capture, transit, and active transportation, and an analysis of the proposed roadway network.

Project Description

The proposed development is anticipated to contain the following land uses:

- Residential buildings
- Retail space
- Hospitality
- Gym/fitness center
- Grocery store
- Convenience market
- Office buildings
- Flex office space

These land uses were taken into consideration when estimating the number of trips that would be generated by the site.

Trip Generation

Trip generation for the development was calculated using trip generation rates published in the Institute of Transportation Engineers (ITE), *Trip Generation*, 10th Edition, 2017, and were modified with the adopted EPA methodology.

The trip generation for the proposed development by 2050 is as follows:

- Daily trips: 25,628
- Morning peak hour trips: 1,902
- Evening peak hour trips: 2,317

Mode Split

Because the project is a transit-oriented development, it was assumed that some conservative reductions could be made to reduce the number of trips generated by the site. A 7 percent transit reduction was made based on the development's proximity to the nearby FrontRunner station. This reduction was limited, however, by the fact that the project is located greater than a quarter of a mile away; however, the project is planning to provide a circulator shuttle to move people between the FrontRunner Station and the office buildings.

An alternative transportation mode reduction was also made because many trips will likely be made by people walking, biking, riding a scooter, etc. between the office buildings and the residential components etc. An estimate of 16 percent was utilized based on the EPA methodology.

Internal Capture

The mixed-use nature of the development also allows for reductions to trip generation. Because retail and office spaces are located in close proximity to denser housing, it is likely that many people will choose to walk within the development to work or to shop. A 16 percent internal capture reduction was made to the daily trips and an 18 percent reduction was made for peak hour trips, based on the EPA internal capture methodologies.

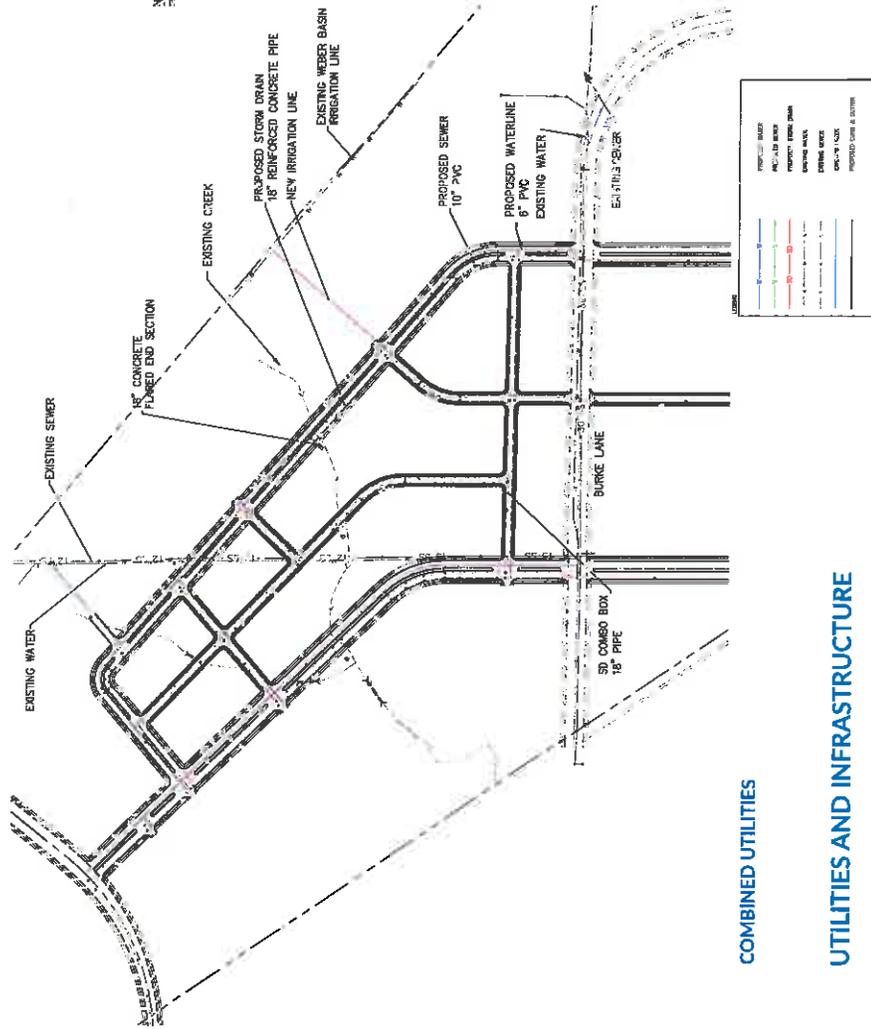
Roadway Network

Following completion and preliminary approval of the trip generation from the City, Hales Engineering will distribute trips from the project to the proposed roadway network, see Figure 1. If you have any questions, please feel free to reach out to us.



Figure 1: Proposed Roadway Layout

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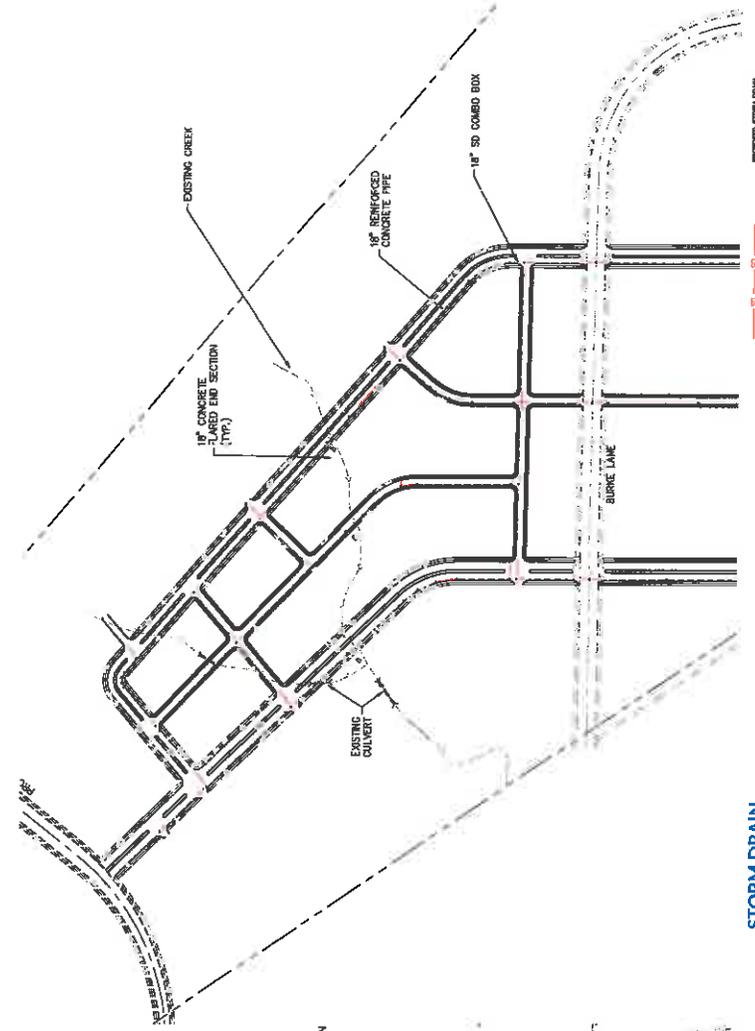
COMBINED UTILITIES

UTILITIES AND INFRASTRUCTURE

The following is a brief description of the existing and proposed infrastructure that will serve the new Farmington Station development. Detail will be provided on the utility, water system, irrigation water systems as well as sanitary sewer and storm drain. Also, a brief discussion of the city utilities to serve the site is provided below.

DRY UTILITIES:

Dry utilities for the project are available in the area and are being coordinated with the various providers including Dominion Gas, PECO, Mountain Power, Utopia, Comcast and several others. Dominion Gas has a high-pressure line that exists in an easement along the rail trail corridor. Other utilities are present to the South and will be extended to the project to provide service.



STORM DRAIN

STORM WATER:

Storm water for the project will be separated into 3 distinct and separate individual areas. Each area will be delineated and routed to separate discharge locations located throughout the project per discussions with Chad Boshell, City Engineer for the City of Farmington.

The first drainage basin is located to the North of Sheppard Lane as shown on. Drainage from this parcel will be required to detain on site flows and released at 0.2 CFS per acre. Water will be discharged into an existing culvert located along the rail trail corridor on the West edge of the property. Storm water will be required to be treated to remove pollutants prior to being discharged into the city system.

The second drainage basin will be for the property located South of Sheppard Lane and North of the existing Creek running through the project. These flows will be required to detain at 0.2 CFS per acre release rate and then discharged into the existing Creek after being treated for pollutants. The 3rd drainage basin is for the property located South of the existing Creek and North of Burke Lane. These properties will be required to detain at 0.4 CFS per acre. Detention flows from this basin will be routed to Burke Lane where they will connect to new 30" pipelines to be constructed by Farmington City that route the flows to the new detention pond and park facility planned for the area. System layout is shown on Figure U-4.

SECTION 140 PETITION

Alternative Approval Process: Development Agreements (Section 11-18-14f) Petition

The Farmington City Zoning Ordinance makes provision for an Alternative Approval Process: Development Agreements (Section 11-18-14f). This makes provision for refinement to Chapter 18 of the Zoning Ordinance in conjunction with a Development Agreement as outlined by Section 11-18-14g.

*Consideration and Approval Of Development Agreement: The development agreement shall be considered at the same time as the PMP and following the same approval process described in section 11-18-020 of this chapter. The criteria for review of a PMP and development agreement application by the Planning Commission and City Council shall consist of the following criteria in lieu of the criteria set forth in subsection 11-18-020 of this chapter:

1. Consistency with the Farmington City General Plan;
2. Compliance with applicable City codes, rules, regulations and standards applicable to the project's PMP, except that uses and development standards specifically included in the development agreement may be different from those contained in the Farmington City Ordinance;
3. Consistency with any development standards determined by the City to be applicable to all development within the TOD Mixed Use Districts;
4. Establishment of a mix of uses in locations that will promote and encourage the goals of the TOD Mixed Use District and be consistent with the objectives of section 11-18-050, "Uses", of this chapter; and
5. Establishment of circulation and transportation features sufficient to meet the requirements of section 11-18-040, "Regulating Plan", of this chapter, to coordinate with anticipated off-site circulation and transportation features and to further any applicable community wide transportation objectives." The following items are included in this petition:

- The Permitted Uses for this PMP area are to include:
 - Residential Use as shown in the Mixed-Use Commercial/Residential area of the Land Use Plan
- The Building Height requirements are to be as follows:
 - Interstate 15 Frontage/Class A Office – Minimum Height of 5 – stories
 - Mixed-Use Commercial/Residential – Minimum Height of 3 stories.
- The Building Siting Requirements are to be as follows:
 - Interstate 15 Frontage will have NO REQUIREMENT for RBR
- The Open Space Requirements are to be as follows:
 - Interstate 15 Frontage will require 10% Open space, which includes the Legacy Trail/Bus shuttle lane width.
- Regulating Plan Modification.

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CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

**S U B J E C T: Exception to Dead End Street Standard – Second Point of Independent Access-
Brighton Homes**

ACTION TO BE CONSIDERED:

See staff report for recommendation.

GENERAL INFORMATION:

See enclosed staff report prepared by Shannon Hansell, Planning and GIS Specialist.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Honorable Mayor and City Council

From: Shannon Hansell, Planning and GIS Specialist

Date: June 23, 2020

SUBJECT: **EXCEPTION TO DEAD END STREET STANDARD – SECOND POINT OF INDEPENDENT ACCESS (S-21-19)**
Property Owners: C Limited Partnership
Applicant: Taylor Spendlove – Brighton Homes

RECOMMENDATION

Move that the City Council not require a second point of independent access for the proposed east to west public road as shown on the preliminary plat for the Farmington Station Parkway Subdivision subject to the following conditions:

1. The developer must dedicate the right of way and construct the road including, but not limited to, all improvements, utilities and a box culvert across Shepard Creek, stubbed to the west property line.
2. The City shall enter into a pioneering agreement with the developer to enable possible reimbursement for a portion of the improvements starting from the east side of Shepard Creek west to the west property line.

Finding for Approval

1. The exception is recommended by the Planning Commission, planning staff, the City Engineer and the Public Works Department.
2. The exception does not compromise full turn-around movements for the Fire Department and garbage pick-up.
3. The ordinance likely assumes dwelling units to mean single-family homes, which produce more traffic than townhomes; therefore, the dead end street will likely service 50 townhomes sufficiently.
4. Approval of the special exception ensures good improvement to the property via the public road. It supports future development on neighboring properties via the bridge or culvert.

BACKGROUND

On June 12, 2020, the Planning Commission approved the Preliminary Plat and recommended the exception regarding dead end streets. The developer is proposing 50 townhomes for this site, which is

consistent with the recommended amount from the City Council. However, the maximum allowance for a dead end street is 24 units. This proposed exception would allow the applicant to build 50 townhomes on the dead end. In the original plan, Parcel A would develop into hotel or office space. With the COVID-19 crisis, financing projects of these types is difficult, forcing the party developing the northern section out of the plan at this time. In the original plan, an exception was unnecessary because entrances to the hotel would provide secondary access. However, the northern parcel of the site will presently remain undeveloped, and the applicant will place the public road and bridge or box culvert over Shepard Creek. This is in lieu of a 20-ft wide creek trail (shown on plat) that does not enhance the site aesthetically or practically. The applicant will finance and execute the improvements, while the pioneering agreement will ensure property owners reimburse their part when Parcel A develops. This dead end makes sense contextually, while providing good improvement to the property.

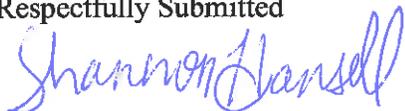
Supplemental Information

1. Vicinity Map
2. Preliminary Plat
3. Section 12-7-040 D.3-4

Applicable Ordinances

1. Title 11, Chapter 18 – Mixed-Use Districts
2. Title 12, Chapter 6 – Major Subdivisions
3. Title 12, Chapter 7 – General Requirements for All Subdivisions

Respectfully Submitted

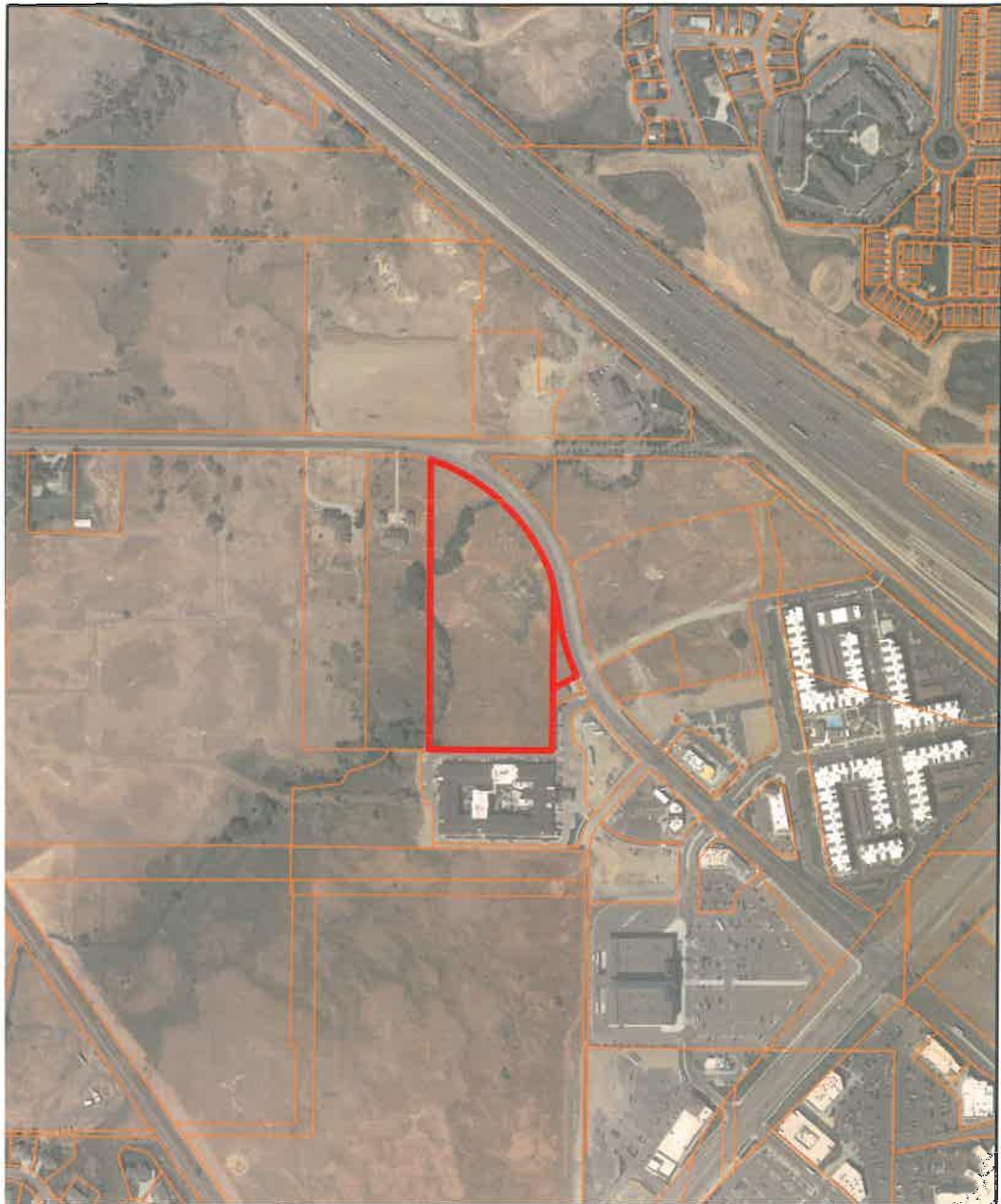


Shannon Hansell
Planning and GIS Specialist

Concur

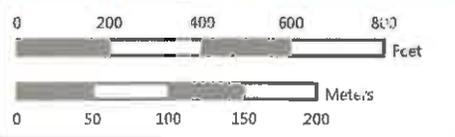


Shane Pace
City Manager



VICINITY MAP

Parcel 08-486-0118



Disclaimer: This map was produced by Farmington City GIS and is for reference only. The information contained on this map is believed to be accurate and suitable for limited uses. Farmington City makes no warranty as to the accuracy of the information contained for any other purposes.

12-7-040: STREETS:

3. Dead End Streets: Dead end streets which exceed one lot depth in length shall have a forty foot (40') radius temporary turnaround area at the end. The turnaround shall have an all weather surface acceptable to the city. The following standards shall apply to dead end streets: (Ord. 1996-24, 6-19-1996)

a. Dead end streets shall serve as access for not more than twenty four (24) dwelling units and shall not exceed one thousand feet (1,000') in length. (Ord. 2006-63, 9-19-2006)

b. When a dead end street reaches its maximum length and/or maximum number of lots, it shall not be extended except to connect to another street which provides a second point of independent access.

c. Exceptions to the requirement for a second point of independent access may be granted by the city council, after receiving a recommendation from the planning commission, upon a finding that the topography or other physical conditions of the development site make it impossible to provide a second access which complies with street design standards established by the city and that an increased street length and/or density will not unreasonably impact the ability to provide emergency and other public services;

4. Nonconforming Dead End Streets: The provisions of this section shall not be construed to prevent construction on approved residential lots fronting on nonconforming streets exceeding one thousand feet (1,000') in length which existed prior to January 9, 1991. These streets include, but are not necessarily limited to, 1400 North Street, Summerwood Drive, Cherry Blossom Drive, Welling Way, and 1100 West Street (south of Shepard Lane). Extension of these nonconforming streets may be permitted, but shall be subject to the following standards and restrictions: (Ord. 1996-24, 6-19-1996)

a. Extension of a nonconforming street may be approved by the city council only after receiving recommendations from the planning commission, fire department, police department, public works department, and the city engineer. The fire department and/or police department may recommend additional conditions to facilitate public safety and emergency services; (Ord. 1996-24, 6-19-1996; amd. 2016 Code)

b. All streets shall be fully improved and shall be designed and constructed at locations shown on an approved street master plan;

c. A temporary turnaround, with a radius of forty feet (40'), shall be provided at the end of the street. The temporary turnaround shall have an all weather surface acceptable to the fire department; and (Ord. 1996-24, 6-19-1996)

d. Until such time as nonconforming streets can be connected to a second access, lots on such streets shall not be approved which are less than two (2) acres in size, unless the city council in consideration of all circumstances shall differently approve by resolution; (Ord. 1996-24, 6-19-1996; amd. 2016 Code)

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

**S U B J E C T: Resolution Amending the Annual Budget for Fiscal Year ending June 30, 2020;
and Adopting the Annual Budget for Fiscal Year ending June 30, 2021**

ACTION TO BE CONSIDERED:

Approve Resolution amending the budget for fiscal year ending June 30, 2020. adopt the budget for fiscal year ending June 30, 2021 and adopt the certified property tax rate of .001491 for fiscal year 2021.

GENERAL INFORMATION:

See enclosed staff report prepared by Greg Davis. Finance Director.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

CITY COUNCIL STAFF REPORT FOR JUNE 23, 2020

To: Mayor and City Council

From: Greg Davis, Finance Director

Date: June 18, 2020

Subject: **Municipal Budgets** - Adoption of FY 2020 Budget Amendment and FY 2021 Budget

RECOMMENDATION

1. Consider and approve a resolution and adopt the amended FY2020 and FY2021 municipal budgets. Note - The Council may consider removing the recommended increase to the water rates and adopting the increases at a later date, following a public hearing in July.
2. Consider and approve a resolution for the certified property tax rate for FY2021.

BACKGROUND

On June 9, 2020 public hearings were held for the municipal FY2020 budget amendment and FY2021 budget. Detailed, revenue and expenditure category budgets reports for all funds were provided with the June 9 city council meeting packet.

FY2020 Budget Amendment

Attached is a narrative that includes background on each the budget amendment requests. One new item has been added to what had been transmitted to the Council for the June 9 meeting (Fire Protection Capital Fund - Heavy Rescue Engine (HRT) and related outfitting – \$215,000 expenditure increase, funded by existing Fire Impact Fees).

FY2021 Budget

The following is a list of summary reports and major city-wide changes for the Council's consideration and adoption for the FY2021 budget.

- Schedules of budget changes for all funds and departments
 - Fund listing with totals by expenditures, revenue, transfers, and fund balance changes
 - Department expenditure budgets within General Fund

- Certified property tax rate of .001491. See attached
 - Resolution form provided the Utah State Tax Commission
 - Report showing history of taxable values, rates, and revenue for general operations and debt service
 - The rates will not include a tax increase for FY2021. Of note is a decrease in the debt service rate due to the retirement during FY2020 of certain general obligation bonds. Unless the city pursues a tax increase, the rate for general operations will usually decrease in order to generate the same amount of tax revenue when applied to property value. The city will receive a small increase in tax revenue relating to growth within the city
- Consolidated fee schedule, with increases to
 - Water fees
 - Recreation fees for Jr. High age baseball
- Major, city-wide key changes include:
 - Reduction in several tax revenues (mainly to sales tax) due to the COVID-19 pandemic
 - Holding flat the majority of budgets due to loss in General Fund revenues, including postponement of general cost-of-living and wage increases
 - Certain contractual or unavoidable expenditure increases passed on by suppliers of services
 - URS contribution rate increase on Tier II. Recommendation is to have this covered by the city instead of by the employees
 - Health insurance increase of 4.9%
 - Festival Days canceled for July 2020
 - Water rate increase - After 10 years without a fee increase, a small, initial rate increase of 3% recommended in the Water Utility Fund. Note - The Council may consider removing the recommended increase to the water rates and adopting the increases at a later date, following a public hearing in July.

Respectfully submitted



Greg Davis

Finance Director

Review and concur,



Shane Pace

City Manager

RESOLUTION NO. 2020-____

A RESOLUTION AMENDING THE MUNICIPAL BUDGET FOR FISCAL YEAR ENDING 6-30-2020; ADOPTING A MUNICIPAL BUDGET FOR FISCAL YEAR ENDING 6-30-2021

WHEREAS, upon proper review and consideration, the City Council has held a public hearing concerning amending its FY 6-30-2020 municipal budget, and adopting FY 6-30-2021 municipal budget;

WHEREAS, said public hearing has been held as required by law and pursuant to all legally required notices; and

WHEREAS, the City Council has heard and considered all public comment advanced at the aforementioned hearings; and

WHEREAS, the attached budgets are hereby found to comport with sound principles of fiscal planning in light of the needs and resources of Farmington City Corporation;

BE IT ORDAINED BY THE CITY COUNCIL OF FARMINGTON CITY CORPORATION, STATE OF UTAH:

Section 1. FY 6-30-2020 Municipal Budget Amendment. The attached document entitled "Farmington City Amended Budget FY 6-30-2020", incorporated herein by reference, is hereby adopted.

Section 2. FY 2021 Municipal Budget Adopted. The attached document entitled "Farmington City Corporation Approved Budget FY 6-30-2021", and incorporated herein by reference, is hereby adopted.

Section 3. Miscellaneous Provisions.

a. **Severability.** If any part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all provisions, clauses, and words of this Resolution shall be severable.

b. **Titles and Headings.** The titles and headings of this Resolution form no part of the Resolution itself, have no binding or interpretative effect, and shall not alter the legal effect of any part of the Resolution for any reason.

c. **Effective Date.** This Resolution shall become effective immediately upon posting.

d. **Non-codification.** This Resolution shall be effective without codification.

PASSED AND ADOPTED BY THE CITY COUNCIL OF FARMINGTON CITY CORPORATION, STATE OF UTAH, ON THIS 23RD DAY OF JUNE, 2020.

FARMINGTON CITY

By: _____
H. James Talbot,
Mayor

ATTEST:

Holly Gadd, City Recorder

Utah State Tax Commission - Property Tax Division Resolution Adopting Final Tax Rates and Budgets	Form PT-800 Rev. 02/15
--	----------------------------------

County: **DAVIS**

Tax Year: **2020**

It is hereby resolved that the governing body of:

FARMINGTON

approves the following property tax rate(s) and revenue(s) for the year: **2020**

1. Fund/Budget Type	2. Revenue	3. Tax Rate
10 General Operations	2,064,457	0.001125
20 Interest and Sinking Fund/Bond	671,000	0.000366
190 Discharge of Judgement		
	\$2,735,457	0.001491

This resolution is adopted after proper notice and hearing in accordance with UCA 59-2-919 and shall be forwarded to the County Auditor and the Tax Commission in accordance with UCA 59-2-913 and 29-2-920.

Signature of Governing Chair

Signature: _____ Date: _____

Title: _____

BUDGET AMENDMENT #2 OF FY 2020

NARRATIVE updated June 17, 2020

Contents

General Fund	2
Fire Department – Budget for unplanned safety and security items - \$15,000 expenditure increase	2
Building Maintenance - Unexpected building major repairs/replacements - \$26,000 expenditure budget increase	2
Parks Maintenance – Property purchase budget previously established in the General Fund – budget neutral	2
RDA Station Park Fund (Fund #22)	2
Developer reimbursement reductions – budget neutral to Fund #22	2
Debt Service Fund for 2015 GO Bonds (Fund #35)	3
Professional Services for Arbitrage calculations and reporting - \$2,000 expenditure increase	3
Capital Improvement Fund for Buildings (Fund #37)	3
City Hall exterior improvement project (entryway and area south) – \$30,000 expenditure increase	3
Streets Capital Improvement Fund (#38)	4
Developer reimbursement for road construction – \$963,667 Revenue (Transfer In) increase	4
UDOT funding of Shepard Lane interchange to West Davis Corridor - \$6,000,000 revenue increase	4
Parks Capital Improvement Fund (#42)	4
Light pole replacement – \$40,000 expenditure increase, \$30,000 revenue increase	4
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Fire Protection Capital Fund (#43) – NEW ITEM for June 23, 2020	5
Heavy Rescue Engine (HRT) and related outfitting – \$215,000 expenditure increase, funded by existing Fire Impact Fees	5

General Fund

Fire Department – Budget for unplanned safety and security items - \$15,000 expenditure increase

During the course of FY2020 the Fire Department made necessary payments for some items that weren't originally planned in the budget - update to the 'four-gas monitors, a key security system that had become required by law, and PPE for several new hires. The total of these items came to \$15,000. This request is to increase the equipment and supplies account, covering the cost with the General Fund's fund balance.

Building Maintenance - Unexpected building major repairs/replacements - \$26,000 expenditure budget increase

In recent years the group of accounts that handles routine maintenance for government buildings has consistently cost more than what was originally budgeted for FY2020. The city has attempted to get as much life as possible out of equipment even if beyond the recommended useful life / replacement point. Unfortunately during this year we experienced several significant, unexpected equipment repairs and replacements. Examples are the HVAC units. Another item that required attention – a safety measure – was the installation of a fire safety system in the Public Works buildings. This budget amendment requests an increase of \$25,506 in order to cover the cost of these unbudgeted items as well as the routine, much-needed preventative maintenance for the fiscal year.

Parks Maintenance – Property purchase budget previously established in the General Fund – budget neutral

Budget amendment #1 of FY2020 placed the funding for the purchase of property at 87 S 100 West in the General Fund (in the Parks Maintenance budget). Since that time it was decided to more properly record the purchase of the property in the Parks Improvement Fund. Therefore this budget amendment merely changes that funding from a Property Purchase line in the General Fund to a Transfer Out line. This way the funds are transferred to a capital improvement fund where the purchase can be recorded. This has no impact on the expenditures in total nor the fund balance of the General Fund. See the amendment to Fund 42.

RDA Station Park Fund (Fund #22)

Developer reimbursement reductions – budget neutral to Fund #22

The last payment to the Station Park developer will be made before the end of this fiscal year pursuant to the initial agreement as reduced by two items for which the developer agreed to compensate the

city. The \$2,700,000 will be reduced by the amount that the developer agreed to donate (\$250,000) to the city's regional municipal ball park, now named after Station Park.

The other reduction of \$963,667 is for the road construction to the north, addressing the road improvements outlined in the 2007 ADL. This amount will be transferred to the city's Streets Capital Improvement Fund, which fund will be handling this particular road construction. If the road is constructed for less cost than expected, the remaining will be paid to the developer. The net amount to be paid to the developer is \$1,486,333. This budget amendment moves \$963,667 out of the Developer Reimbursement line item into the Transfer To Other Funds line item. Since the transfer will be made to the Streets CIP Fund, that fund will need to establish a Transfer In budget of that amount.

Debt Service Fund for 2015 GO Bonds (Fund #35)

Professional Services for Arbitrage calculations and reporting - \$2,000 expenditure increase

These services, legally required in this fifth year, hadn't been planned for in the original FY 2020 budget. The calculations and determination of any reporting requirements will be performed by a professional firm during June 2020. The city doesn't anticipate that the study will require any future payment from the city from earned interest on escrowed construction funds. This budget requests an increase of \$2,000 to a professional and technical services line item, to be covered by the fund's existing fund balance.

Capital Improvement Fund for Buildings (Fund #37)

City Hall exterior improvement project (entryway and area south) – \$30,000 expenditure increase

A project for the entryway and areas south of City Hall was begun in FY2019. That budget was originally set at \$65,000. The full project was not completed during FY2019 and did not use all of the project budget in that year. For FY2020 a budget of \$30,000 was established. During the fiscal year, however, some additional project components were added to make sure the project was complete and acceptable, causing it to exceed the portion of the project that was budgeted in FY2020. The City decided to include the following:

- new light pedestals
- electric car charging station
- concrete demo hauling
- concrete cut of an 8' tall retaining wall
- new vinyl fence (old one could not be reused due to too much damage from existing winds)
- engineering for surveying
- extra gravel and sand for the parking lot changes after engineered design

In order to save budget, all excavation, site prep work and hauling was done by Public Works.

Total actual recorded in FY2020 is \$60,123. There was \$33,000 unspent in this line item in FY19. The fund had a total of \$36,000 drop to fund balance in FY2019. This budget amendment requests that the FY20 budget for this project be increased by \$30,000, with the funding source being the fund balance of the Capital Improvement Fund.

Streets Capital Improvement Fund (#38)

Developer reimbursement for road construction – \$963,667 Revenue (Transfer In) increase

See narrative for Station Park RDA (Fund #22). This amendment will establish a Transfer In budget in the Streets Capital Improvement Fund of \$963,667.

UDOT funding of Shepard Lane interchange to West Davis Corridor - \$6,000,000 revenue increase

UDOT transferred funds to the city in December 2019 for the eventual construction of the Shepard Lane interchange, in coordination with Kaysville City. (State of Utah General Session 2019 Senate Bill 268 line 93, 94 "(xx) \$6,000,000 for right-of-way acquisition, design, engineering, and construction related to Shepard Lane in Davis County")

These funds will be used in coming months. Fund 38's FY 2021 budget will establish the use of this and various other sources to begin construction of roads in the business park and the aforementioned interchange.

Parks Capital Improvement Fund (#42)

Light pole replacement – \$40,000 expenditure increase, \$30,000 revenue increase

On 5 February 2020 Parks crews discovered that one of the city's field light poles at Shepard Park had fallen over due to some fairly strong wind gusts as a storm was rolling in. Third-party engineers conducted a stress test and concluded that the light pole shouldn't be reused. The city's property insurance will cover the cost less the deductible of \$10,000. This budget amendment establishes the full \$40,000 cost of the replacement with a funding source of \$30,000 insurance proceeds. The contractor has informed the city that half the cost is required up front. The timing of this project may require a re-opening of at least part of this project during FY2021.

Regional Park construction – Project costs increase of \$163,000 and revenue increase of \$423,000

This project will have spanned multiple fiscal years. Bonds of \$1,125,000 were issued in the spring of 2019 to accomplish the final details and to purchase the additional facility maintenance equipment. The funds were placed in a construction escrow and draws are done to reimburse the city during the project. These draws have been recorded as revenue. No revenue budget was included in the original FY2020 budget. An expenditure budget for FY2020 was set at \$260,000 as a best estimate of what would occur this fiscal year. Costs incurred during FY2020 have totaled \$423,000. This budget request will increase the expenditure and revenue budgets to \$423,000 to reflect the amount expended and drawn from escrow. The Administration will move this project along to completion and will request a project budget amendment early in FY2021 to reflect the expenditures and revenue/draws from escrow.

Property purchase budget previously established in the General Fund – expenditure and revenue budget increase of \$310,000

The city has purchased property at 87 S 100 West for the purpose of expanding Forbush Park. Refer to budget amendment #1 of FY2020. That budget amendment placed the funding for the purchase of the property in the General Fund - in the Parks Maintenance budget. Since that time it was decided to more properly record the purchase of the property in the Parks Improvement Fund. Therefore this budget amendment changes that funding from a Property Purchase line in the General Fund to a Transfer Out line to the Parks . This way the funds are transferred to a capital improvement fund where the purchase can be recorded. This has no impact on the expenditures in total nor the fund balance of the General Fund. This budget will establish both a revenue (Transfer In from the General Fund) and the expenditure budget for the property purchase. (See the corresponding amendment to the General Fund Parks Maintenance budget.)

Fire Protection Capital Fund (#43) – NEW ITEM for June 23, 2020

Heavy Rescue Engine (HRT) and related outfitting – \$215,000 expenditure increase, funded by existing Fire Impact Fees

In January 2020 Shane Pace briefed the City Council on a pending purchase of a used heavy rescue engine to be funded by Fire Impact Fees. (Also refer to Shane's email on January 24, 2020) At that time the Council was notified that this would require a budget amendment to the current fiscal year before year end. As was communicated at that time, this purchase would avoid the cost of a new unit that could range between \$800,000 and \$1,000,000 conservatively. Chief Smith and Brad Thurgood, our Fleet Manager traveled to New York to inspect and purchase the engine. The total of the budget amendment covers the additional costs for travel, overtime, and outfitting that was required to make the engine road ready with Farmington (equipment, decaling, etc.).

FARMINGTON CITY CORPORATION
Fiscal Year Ending June 30, 2020

GENERAL FUND (Funds #10, 11)

	Adopted Budget	Amendment #1	Amended Budget	Amendment #2	Final Budget
Revenues:					
Property Tax	2,040,000		2,040,000		2,040,000
Registered Vehicle Fees	210,000		210,000		210,000
Sales Tax	5,300,000		5,300,000		5,300,000
Franchise Tax/Fee	1,520,000		1,520,000		1,520,000
Transient Room Tax	70,000		70,000		70,000
License /permits	536,500		536,500		536,500
Federal /State Grants	47,000	50,000	97,000		97,000
Public Safety	138,400		138,400		138,400
Development Fees	65,000		65,000		65,000
Cemetery Fees	38,000		38,000		38,000
Shared Court Revenue	180,000		180,000		180,000
Interest	45,500		45,500		45,500
Miscellaneous	184,000		184,000		184,000
Subtotal	<u>10,374,400</u>	<u>50,000</u>	<u>10,424,400</u>	<u>0</u>	<u>10,424,400</u>
Road funds:					
Local Transportation Sales Tax	400,000		400,000		400,000
Class C funds	890,000		890,000		890,000
Interest	2,000		2,000		2,000
Subtotal Road funds	<u>1,292,000</u>	<u>0</u>	<u>1,292,000</u>	<u>0</u>	<u>1,292,000</u>
Appropriation of Fund Balance (Fund 10)	683,116	310,000	993,116	41,000	1,034,116
Total Revenue	<u>12,349,516</u>	<u>360,000</u>	<u>12,709,516</u>	<u>41,000</u>	<u>12,750,516</u>
Expenditures:					
Legislative	146,000		146,000		146,000
Administrative	882,811		882,811		882,811
Economic Development	348,158		348,158		348,158
Engineering	180,661		180,661		180,661
Planning / Zoning	651,999		651,999		651,999
Police	3,024,247		3,024,247		3,024,247
Fire	1,312,083		1,312,083	15,000	1,327,083
Emergency Preparedness	1,500		1,500		1,500
Inspection	474,942		474,942		474,942
Streets	732,993		732,993		732,993
Government Buildings Maintenance	497,960		497,960	26,000	523,960
Parks / Cemetery	1,037,324	360,000	1,397,324	-310,000	1,087,324
General Recreation	679,138		679,138		679,138
Economic Progress	130,000		130,000		130,000
Miscellaneous	36,000		36,000		36,000
Transfer to Capital Funds	921,700		921,700	310,000	1,231,700
Subtotal	<u>11,057,516</u>	<u>360,000</u>	<u>11,417,516</u>	<u>41,000</u>	<u>11,458,516</u>
			0		0
Road Maintenance, Projects (Fund 11)					
General Street Maintenance	290,000		290,000		290,000
Overlays, chip seals	1,000,000		1,000,000		1,000,000
Subtotal Road Maint, Projects	<u>1,290,000</u>	<u>0</u>	<u>1,290,000</u>	<u>0</u>	<u>1,290,000</u>
Fund Balance Increase (Fund 11 Class C)	2,000		2,000		2,000
Total Expenditures	<u>12,349,516</u>	<u>360,000</u>	<u>12,709,516</u>	<u>41,000</u>	<u>12,750,516</u>

FY 2020-21 BUDGET SUMMARY BY FUND
Sources (credits) are shown as negatives

Sum of FY21 Request Total	EXPENDITURES	TRANSFERS OUT	REVENUE	TRANSFERS IN	FUND BALANCE INCREASE	FUND BALANCE USE/APPROPRIATION	Grand Total
#10, 11 GENERAL FUND							
10 GENERAL FUND	9,529,874	820,373	(10,199,483)	-		(150,762)	-
11 CLASS C ROADS / LOCAL HWY	1,115,000	16,000	(1,131,000)	-		-	-
#10, 11 GENERAL FUND Total	10,644,874	836,373	(11,330,483)			(150,762)	
#20, 22 SPECIAL REVENUE - RDAs							
20 FARMINGTON RDA FUND	200,450	-	(155,000)	-		(14,450)	-
22 FARMINGTON STATION PARK RDA	5,000	-	(65,000)	-	650,000	-	-
#20, 22 SPECIAL REVENUE - RDAs Total	205,450	-	(841,000)		650,000	(14,450)	
#30-35 DEBT SERVICE FUNDS							
30 RAP TAX BOND	353,000	90,000	(483,000)	-		-	-
31 POLICE SALES TAX BOND 2009	71,000	-	(5,000)	-		(66,000)	-
34 2007 2008 BLDGS G.O. BOND	258,000	-	(258,000)	-		-	-
35 2015 G.O. PARK BOND	419,000	-	(419,000)	-		-	-
#30-35 DEBT SERVICE FUNDS Total	1,135,000	90,000	(1,159,000)			(66,000)	
#37-43 CAPITAL AND PROJECTS FUNDS							
37 GOVT BUILDINGS IMPROV//OTHER	22,000	-	(44,000)	-	22,000	-	-
38 CAPITAL STREET IMPROVEMENTS	9,535,000	-	(3,415,887)	-		(7,314,333)	-
39 CAPITAL EQUIPMENT FUND	820,000	-	(2,000)	(278,000)		(40,000)	-
40 REAL ESTATE PROP. ASSET FUND	1,570,000	-	(2,000)	-		(1,568,000)	-
42 PARK IMPROVEMENT FUND	370,500	-	(322,000)	(90,000)		41,500	-
43 CAPITAL FIRE FUND	57,400	-	(42,000)	-		(15,400)	-
#37-43 CAPITAL AND PROJECTS FUNDS Total	11,872,900	-	(2,830,667)	(368,000)	22,000	(8,696,233)	
#48 PERMANENT FUND							
48 CEMETERY PERPETUAL FUND	-	-	(11,500)	-	11,500	-	-
#48 PERMANENT FUND Total	-	-	(11,500)		11,500	-	

FY 2020-21 BUDGET SUMMARY BY FUND
Sources (credits) are shown as negatives

Sum of FY21 Request Total	EXPENDITURES	TRANSFERS OUT	REVENUE	TRANSFERS IN	FUND BALANCE INCREASE	FUND BALANCE USE/APPROPRIATION	Grand Total
#51-54,56 UTILITY FUNDS							
51 WATER FUND	3,538,390		(2,732,200)				806,190
52 SEWER FUND	2,112,175		(2,170,000)				(56,825)
53 GARBAGE FUND	1,619,597		(1,395,000)				24,597
54 STORM WATER FUND	3,181,595		(1,270,000)				1,911,595
56 TRANSPORTATION UTILITY FUND	690,600		(685,000)				(5,000)
#51-54,56 UTILITY FUNDS Total	11,132,757		(8,452,200)				2,680,557
#56 AMBULANCE FUND							
56 AMBULANCE SERVICE	343,312		(492,000)				(148,688)
#56 AMBULANCE FUND Total	343,312		(492,000)				(148,688)
#60,67 RECREATION FUNDS							
60 RECREATION FUND	1,754,163		(917,260)	(558,373)			278,530
67 SPECIAL EVENTS FUND	75,700		(68,600)				7,100
#60,67 RECREATION FUNDS Total	1,829,863		(981,360)	(558,373)			290,130
Grand Total	37,164,156	926,373	(26,098,212)	(926,373)	683,500	(8,927,445)	2,821,999

DEPARTMENTS WITHIN GENERAL FUND - SUMMARY
 RECOMMENDED BUDGET FY21 - Tentative Budget Approved by City Council on May 5, 2020

Option: TRIMMED

Entity in CAFR #10, 11 General Fund

Row Labels	Budget FY20 Debit: (Credit)	FY21 Request Total	Budget Change	% Change
10 GENERAL FUND				
EXPENDITURES				
GENERAL FUND - ADMINISTRATIVE DEPARTMENT	882,811	865,111	(17,700)	-2.0%
GENERAL FUND - BUILDINGS DEPARTMENT	497,960	479,660	(18,300)	-3.7%
GENERAL FUND - ECONOMIC DEVELOPMENT DEPT.	348,158	281,358	(66,800)	-19.2%
GENERAL FUND - EMERGENCY PREPAREDNESS DEPT.	1,500	-	(1,500)	-100.0%
GENERAL FUND - ENGINEERING DEPARTMENT	180,661	183,461	2,800	1.5%
GENERAL FUND - FIRE DEPARTMENT	1,312,083	1,320,295	8,212	0.6%
GENERAL FUND - GENERAL RECREATION DEPARTMENT	-	-	-	#DIV/0!
GENERAL FUND - INSPECTION DEPARTMENT	474,942	478,542	3,600	0.8%
GENERAL FUND - LEGISLATIVE DEPARTMENT	146,000	122,200	(23,800)	-16.3%
GENERAL FUND - LIQUOR LAW DUI POLICE PATROL	12,000	41,100	29,100	242.5%
GENERAL FUND - MISCELLANEOUS	166,000	126,000	(40,000)	-24.1%
GENERAL FUND - PARKS & CEMETERY DEPARTMENT	1,037,324	1,066,924	29,600	2.9%
GENERAL FUND - PLANNING & ZONING DEPARTMENT	651,999	659,399	7,400	1.1%
GENERAL FUND - POLICE DEPARTMENT	3,012,247	3,167,731	155,484	5.2%
GENERAL FUND - STREETS DEPARTMENT	732,993	738,093	5,100	0.7%
EXPENDITURES Total	9,456,678	9,529,874	73,196	0.8%
TRANSFERS OUT	1,600,838	820,373	(780,465)	-48.8%
10 GENERAL FUND Total	11,057,516	10,350,247	(707,269)	-6.4%

DEPARTMENTS WITHIN GENERAL FUND - SUMMARY
 RECOMMENDED BUDGET FY21 - Tentative Budget Approved by City Council on May 5, 2020

Option: TRIMMED

Entity in CAFR	Row Labels	Budget FY20 Debit (Credit)	FY21 Request Total	Budget Change	% Change
#10, 11 General Fund					
11 CLASS C ROADS / LOCAL HWY					
	EXPENDITURES				
	CLASS C ROADS / LOCAL HWY - MAINTENANCE OF STREETS	290,000	367,000	77,000	26.6%
	CLASS C ROADS / LOCAL HWY - STREET OVERLAYS / PROJECTS	1,000,000	748,000	(252,000)	-25.2%
	EXPENDITURES Total	1,290,000	1,115,000	(175,000)	-13.6%
	TRANSFERS OUT		16,000	16,000	#DIV/0!
	FUND BALANCE INCREASE	2,000	-	(2,000)	-100.0%
11 CLASS C ROADS / LOCAL HWY Total		1,292,000	1,131,000	(161,000)	-12.5%
Grand Total		12,349,516	11,481,247	(868,269)	-7.0%

Property Tax Rates and Revenue

Farmington City

Year	TAXABLE VALUE		RATES				REVENUE PER COUNTY WEBSITE		
	\$	% Change	General Rate	Total Debt Service Rate	Total Tax Rate	for General Operations	for Debt Service	Combined Revenue	
2009-10	960,477,000		0.001477	0.000574	0.002051	\$ 1,418,625	\$ 551,000	\$ 1,969,625	
2010-11	963,676,000	0.33%	0.001484	0.000578	0.002062	\$ 1,430,095	\$ 557,000	\$ 1,987,095	
2011-12	890,477,000	-7.60%	0.001678	0.000605	0.002283	\$ 1,494,220	\$ 538,000	\$ 2,032,220	
2012-13	950,255,000	6.71%	0.001668	0.000601	0.002269	\$ 1,585,025	\$ 571,000	\$ 2,156,025	
2013-14	967,566,000	1.82%	0.001685	0.000605	0.002290	\$ 1,630,349	\$ 585,000	\$ 2,215,349	
2014-15	1,096,779,000	13.35%	0.001522	0.000585	0.002107	\$ 1,669,298	\$ 641,000	\$ 2,310,298	
2015-16	1,156,924,000	5.48%	0.001542	0.000684	0.002226	\$ 1,783,977	\$ 791,000	\$ 2,574,977	
2016-17	1,250,059,000	8.05%	0.001466	0.000666	0.002132	\$ 1,832,586	\$ 832,000	\$ 2,664,586	
2017-18	1,399,098,000	11.92%	0.001343	0.000599	0.001942	\$ 1,878,989	\$ 838,000	\$ 2,716,989	
2018-19	1,583,714,000	13.20%	0.001234	0.000531	0.001765	\$ 1,954,303	\$ 840,000	\$ 2,794,303	
2019-20	1,736,365,536	9.64%	0.001157	0.000483	0.001640	\$ 2,012,445	\$ 840,703	\$ 2,853,148	
2020-21	1,835,073,221	5.68%	0.001125	0.000366	0.001491	\$ 2,064,457	\$ 671,000	\$ 2,735,457	

CONSOLIDATED FEE SCHEDULE

FY20 Rates

FY21 Rates
 Recommended 3% Increase
 (rounded to nearest .10)

D. ENTERPRISE FUND - USER FEES

Time of Payment

Payment is due by the end of each billing month.

D1. Culinary Water

Water minimum (Base Rate)

			Fee	Change	%
Residential			\$ 18.25		
Commercial	Up to 1"		\$ 18.25	\$ 18.80	\$ 0.55 3.0%
	1.5"		\$ 38.39	\$ 39.50	\$ 1.11 2.9%
The meter size will be determined by the largest meter installed. If more than one meter is installed of the same size, then the charge will be determined by the number of those meters installed. If more than one size of meter is installed, the largest meter size will be charged the base meter rate.					
	2"	per month	\$ 61.43	\$ 63.30	\$ 1.87 3.0%
	3"	per month	\$ 115.17	\$ 118.60	\$ 3.43 3.0%
	4"	per month	\$ 191.95	\$ 197.70	\$ 5.75 3.0%
	6"	per month	\$ 383.91	\$ 395.40	\$ 11.49 3.0%
	8"	per month	\$ 614.25	\$ 632.70	\$ 18.45 3.0%
Usage charges:					
Residential	0-5000	Minimum per month			
	5001-10000	per month	\$2.50/	\$ 2.60	\$ 0.10 4.0%
	10001-20000		\$2.80/	\$ 2.90	\$ 0.10 3.6%
	20001&above	Base Rate	\$3.08/	\$ 3.20	\$ 0.12 3.9%
Commercial:		1000 gals			
		1000 gals	\$2.12/	\$ 2.20	\$ 0.08 3.8%
		1000 gals			

Water users living outside of Farmington City limits will be charged double the rate.

Soccer Field Rental

Deposit (league or single use event)	\$	50.00	
Deposit (Tournament or other large scale event)	\$	250.00	
Soccer Field (Painting Set up)	\$	100.00	One time
Soccer Weekly (Painting Maintenance)	\$	60.00	If needed
Soccer Goal (Set up and Take down)	\$	25.00	
Rental Fee	\$	15.00	hr.

Jr. Jazz

	<u>Resident</u>	<u>Non-Res.</u>
Kindergarten - 2nd Grade	\$ 50.00	\$ 60.00
3rd - 4th Grade	\$ 55.00	\$ 65.00
5th - 12th Grade	\$ 60.00	\$ 70.00
Team Registration	\$ 400.00	\$ 400.00

Fees to be determined on jersey cost and affiliation fees with the Jazz, by the Parks & Recreation Department. Setting of those fees are herein authorized by the Farmington City Council.

Football

	<u>Resident</u>	<u>Non-Res.</u>
Deposit (Tackle Refundable when equipment is returned)	\$ 50.00	\$ 210.00
Tackle Football	\$ 150.00	\$ 150.00
Flag Football Kindergarten - 4th Grade	\$ 55.00	\$ 65.00
Flag Football 5th - 9th Grade	\$ 70.00	\$ 80.00

Soccer

	<u>Resident</u>	<u>Non-Res.</u>
Soccer (Jersey included)	\$ 40.00	\$ 50.00

Baseball

	<u>Resident</u>	<u>Non-Res.</u>
T-Ball (4 - 5 yrs.)	\$ 40.00	\$ 55.00
Coach Pitch (5 yrs.)	\$ 40.00	\$ 55.00
Kindergarten	\$ 45.00	\$ 60.00
1st/2nd Minor	\$ 45.00	\$ 60.00
1st/2nd Major	\$ 50.00	\$ 65.00
3rd	\$ 60.00	\$ 75.00
4th	\$ 60.00	\$ 75.00
5th-6th	\$ 75.00	\$ 90.00
Jr High	\$ 100.00	\$ 115.00
High School	\$ 100.00	\$ 115.00
Fall Baseball - Jr High (Jerseys \$15.00)	\$ 50.00	\$ 65.00

Softball

	<u>Resident</u>	<u>Non-Res.</u>
Kindergarten	\$ 45.00	\$ 60.00
1st	\$ 45.00	\$ 60.00
2nd	\$ 45.00	\$ 60.00
3rd	\$ 55.00	\$ 70.00

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

S U B J E C T: Purchase of Home and Portion of Lot located at 588 North 1525 West

ACTION TO BE CONSIDERED:

Approve real-estate contract with Deb Turpin for the home and a portion of the lot located at 588 North 1525 West for \$453,000 (plus processing fees, taxes and insurance).

GENERAL INFORMATION:

See enclosed staff report prepared by Brigham Mellor, Assistant City Manager/Economic Development Director.

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Mayor and City Council

From: Brigham Mellor, Economic Development Director

Date: 06/23/2020

SUBJECT: Farmington City purchase of home and a portion of the lot on Parcel ID: 080600016 [588 N 1525 W]

RECOMMENDATION:

Move to approve purchase as outlined in the accompanying real-estate contract between “buyer” Farmington City and the “seller” Deb Turpin for the home and a portion of the lot located at 588 NORTH 1525 WEST for \$453,000 (plus processing fees, taxes, and insurance).

BACKGROUND:

As we have receive data from UDOT on the traffic loads that will accompany the completion of the Shepard Ln interchange and the “mink farm interchange” on WDC – it has become apparent that 1525 WEST will need to be widened substantially (east of the D&RG). Without this new road alignment the traffic will infiltrate and significantly impact the residential road system west of the D&RG trail. While drawings are still conceptual at this time it is apparent the home of the resident Deb Turpin (“Seller”) would be significantly impacted in any alignment scenario. Thus the City decided to be proactive and mitigate that impact as soon as possible.

We considered several different options in consultation with Ms. Turpin and the City Council.

As a long time respected Farmington resident she wants to stay here in the city. Her total property is approximately 1.01 acres, by buying the front half of her home for ROW, and then trading her back half for land owned by the Redevelopment Agency, we can facilitate her wish to stay here in Farmington.

Ms. Turpin has been extremely cooperative and understanding during this process. It is hard to live in an area for so long as she has done and then decide to leave – the seller entertained options that included staying on the hack half of the property by building new or relocating the existing structure back further on the property. In the end she has decided the land trade option would better for her and her family going forward given the intensity of the traffic that will use this future road alignment and the permitted and yet to be determined uses in the OMU zone which surrounds her property. This is an “arm’s length



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SHANE PACE
CITY MANAGER

transaction” we are not forcing anyone from their home. While Ms. Turpin would have stayed happily in her home for years to come, she is voluntarily selling and trading her property to the City and Agency.

Under the terms of the agreement Ms. Turpin will be permitted to stay in here home at 588 NORTH 1525 WEST for 12 months’ rent free while she constructs her new home. The culinary water utility stub will be installed by the city on her new lot at 55 W 100 NORTH – by accepting this agreement the city will waive her building fees, with the exception of those identified as “impact fees”, at the issuance of a building permit on this particular lot.

Again we are happy that Ms. Turpin has decided to stay here in our community and we wish her the absolute best for her and her family. We thank her for her cooperation through this undoubtedly difficult decision process.

Respectfully Submitted

Brigham Mellor
Economic Development Director

Concur

Shane Pace
City Manager

Client File #

Appraisal File #

20042302

 Appraisal Institute AI Reports™ Form AI-100.02 *	<h2>Summary Appraisal Report • Residential</h2>	
	Appraisal Company: Lynn Christensen Appraising, Inc. Address: 186 S. 2000 E., Layton, UT 84040 Phone: (801) 544-0243 Fax: Web:	
Appraiser: Lynn Christensen	Co-Appraiser:	
AI Membership: <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> Associate Member <input checked="" type="checkbox"/> None	AI Membership: <input type="checkbox"/> SRA <input type="checkbox"/> MAI <input type="checkbox"/> SRPA <input type="checkbox"/> Associate Member <input type="checkbox"/> None	
Other Professional Affiliation:	Other Professional Affiliation:	
E-mail: lynnappraising@aol.com	E-mail:	
Client: Farmington City	Contact:	
Address: 160 S. Main, Farmington, UT 84025		
Phone: 801-792-3704 Fax:	E-mail: bmeller@farmington.ut.gov	
REAL ESTATE IDENTIFICATION		
Address: 588 N 1525 W		
City: Farmington	County: Davis	State: UT Zip: 84025
Legal Description: BEG ON E LINE OF A RD AT A PT N 00°20'03" W 990.21 FT ALG 1/4 SEC LINE FR S 1/4 COR OF SEC-14-T3N-R1W, SLM; & RUN TH N 89°39'57" E 275.0 FT; TH S 00°20'03" E 160.0 FT; TH S 89°39'57" W 275.0 FT TO SD E LINE; TH N 00°20'03" W ALG SD E LINE TO POB.		
Tax Parcel #: 08-060-0016	RE Taxes: 3,107.59	Tax Year: 2019
SUBJECT PROPERTY HISTORY		
Owner of Record: Debra Turpin		
Description and analysis of sales within 3 years (minimum) prior to effective date of value:		According to the WFRMLS, the subject property has not been listed or sold in the past three years.
Description and analysis of agreements of sale (contracts), listings, and options:		According to the WFRMLS, the subject property has not been listed or sold in the past three years.
RECONCILIATIONS AND CONCLUSIONS		
Indication of Value by Sales Comparison Approach	\$	<u>453,000</u>
Indication of Value by Cost Approach	\$	<u>N/A</u>
Indication of Value by Income Approach	\$	<u>N/A</u>
Final Reconciliation of the Methods and Approaches to Value: The greatest emphasis was placed on the Sales Comparison Approach in this analysis. The Cost Approach was not considered. The Cost Approach becomes less reliable as a home ages. The Income Approach to value was not considered. This is due to the fact that homes similar to the subject are not purchased for investment purposes. It appears that the value centers around sale #3 and is supported by the other three sales. After careful consideration of all information provided in this analysis, it is the appraiser's opinion that the fair market value of the subject, based on the hypothetical conditions discussed within this report as of April 30, 2020 is \$453,000.		
Opinion of Value as of:	<u>4/30/2020</u>	\$ <u>453,000</u>
Subject to any hypothetical conditions or extraordinary assumptions stated in the Assignment Parameters section.		

* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

ASSIGNMENT PARAMETERS

Intended User(s): Farmington City

Intended Use: Establish Fair Market Value

This report is not intended by the appraiser for any other use or by any other user.

Type of Value: Fair Market Value Effective Date of Value: 4/30/2020

Interest Appraised: Fee Simple Leasehold Other

Hypothetical Conditions: (A hypothetical condition is that which is contrary to what exists, but is asserted by the appraiser for the purpose of analysis. Any hypothetical condition may affect the assignment results.) **This appraisal is being completed under the hypothetical condition that the home will be located on a .50 acre parcel. The subject property currently is on a single parcel. At this time, the current recorded parcel is 1.01 acre recorded with Davis County. For the purpose of this analysis the acreage assigned to the single family home will be .50 acre. If after the parcel is changed and recorded with the county, this lot size may change slightly. The current zoning allows homes on one acre. The assumption is also made that the zoning would be changed to allow the reduction in land size. If these assumptions cannot be fulfilled this valuation is null and void. The new legal descriptions and surveys will be completed at a later time.**

Extraordinary Assumptions: (An extraordinary assumption is directly related to a specific assignment and presumes uncertain information to be factual. If found to be false this assumption could alter the appraiser's opinions or conclusions. Any extraordinary assumption may affect the assignment results.)

None

In accordance with Standard Rule 2-2(b) of the Uniform Standard of Professional Appraisal Practice (USPAP), this is a summary appraisal report.

SCOPE OF WORK

Definition: The scope of work is the type and extent of research and analysis in an assignment. Scope of work includes: the extent to which the property is identified; the extent to which tangible property is inspected; the type and extent of data research; and the type and extent of analysis applied to arrive at opinions or conclusions. the specific scope of work for this assignment is identified below and throughout this report.

<p>Inspection of Subject:</p> <p>Appraiser: <input type="checkbox"/> None <input checked="" type="checkbox"/> Interior <input type="checkbox"/> Exterior <input checked="" type="checkbox"/> Date of Inspection 4/30/2020</p> <p>Co-Appraiser: <input checked="" type="checkbox"/> None <input type="checkbox"/> Interior <input type="checkbox"/> Exterior <input type="checkbox"/> Date of Inspection</p> <p>Living Area Measured: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other:</p>	<p>Data Sources Used:</p> <input checked="" type="checkbox"/> MLS <input checked="" type="checkbox"/> Public Records <input type="checkbox"/> Office Files <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Plans & Specifications <input type="checkbox"/> Purchase Agreement <input type="checkbox"/> Other:	<p>Approaches to Value Developed:</p> <p>Cost Approach: <input type="checkbox"/> Is necessary and developed in this analysis <input checked="" type="checkbox"/> Is applicable but not necessary and omitted in this analysis <input type="checkbox"/> Is not applicable or necessary and omitted in this analysis</p> <p>Sales Comparison Approach: <input checked="" type="checkbox"/> Is necessary and developed in this analysis <input type="checkbox"/> Is applicable but not necessary and omitted in this analysis <input type="checkbox"/> Is not applicable or necessary and omitted in this analysis</p> <p>Income Approach: <input type="checkbox"/> Is necessary and developed in this analysis <input type="checkbox"/> Is applicable but not necessary and omitted in this analysis <input checked="" type="checkbox"/> Is not applicable or necessary and omitted in this analysis</p>
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Additional Scope of Work Comments: None

Significant Real Property Appraisal Assistance: None Disclose Name(s) and contribution:

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Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

MARKET AREA ANALYSIS

Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Built Up <input type="checkbox"/> Under 25% <input type="checkbox"/> 25-75% <input checked="" type="checkbox"/> Over 75%	Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Supply & Demand <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	Value Trend <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Decreasing	Typical Marketing Time <input checked="" type="checkbox"/> Under 3 Months <input type="checkbox"/> 3-6 Months <input type="checkbox"/> Over 6 Months
Neighborhood Single Family Profile Price _____ Age _____ 250,000 Low 0 1,000,000 High 60 400,000 Predominant 20		Neighborhood Land Use 1 Family 95% Commercial 4% Condo % Vacant 1% Multifamily % %		Neighborhood Name: <u>Farmington</u> PUD <input type="checkbox"/> Condo <input type="checkbox"/> HOA: \$ _____ / Amenities: <u>None</u>	

Market area description and characteristics: The subject neighborhood boundaries are: 675 N. on the north; Glovers Ln. on the south; 1100 W. on the east; and Buffalo Ranch Rd. on the west. The subject is within a residential neighborhood that was built over the past 60 years. Employment is centered around Salt Lake City. This is an employment center that is well accessed by major transportation networks. The subject neighborhood contains homes of similar design and appeal as that of the subject. All parks, schools, shopping and bus stops are in close proximity. Marketability of these homes would be considered average. The subject market area is experiencing an upward trend in sales activity. Homes offered for sale along the Wasatch Front are exposed to a stable/increasing market. Competitively priced homes in average to above average condition, will sell within three months. Sellers are paying some closing fees.

SITE ANALYSIS

Dimensions: <u>See Comments</u>	Area: <u>.50 Acre</u>
View: <u>Neighborhood</u>	Shape: <u>Rectangular</u>
Drainage: <u>Adequate</u>	Utility: <u>Average</u>
Site Similarity/Conformity To Neighborhood	Zoning/Deed Restriction
Size: <input type="checkbox"/> Smaller than Typical <input checked="" type="checkbox"/> Typical <input type="checkbox"/> Larger than Typical	View: <input type="checkbox"/> Favorable <input checked="" type="checkbox"/> Typical <input type="checkbox"/> Less than Favorable
Utilities Electric <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____ Gas <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____ Water <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____ Sewer <input checked="" type="checkbox"/> Public <input type="checkbox"/> Other _____	Off Site Improvements Street <input checked="" type="checkbox"/> Public <input type="checkbox"/> Private <u>Asphalt</u> Alley <input type="checkbox"/> Public <input type="checkbox"/> Private <u>None</u> Sidewalk <input type="checkbox"/> Public <input type="checkbox"/> Private <u>None</u> Street Lights <input type="checkbox"/> Public <input type="checkbox"/> Private <u>None</u>
Zoning: <u>A(Agriculture, 1 Fam. Res., 2 Acre, 1 Acre Min)</u> <input checked="" type="checkbox"/> Legal <input type="checkbox"/> No zoning <input type="checkbox"/> Legal, non-conforming <input type="checkbox"/> Illegal	
Covenants, Condition & Restrictions <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Unknown Documents Reviewed <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Ground Rent \$ _____ /	

Site description and characteristics: Typical public utility easement over perimeter lot lines. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable.

HIGHEST AND BEST USE ANALYSIS

Present Use Proposed Use Other _____

Summary of highest and best use analysis: The home is in a single family residential neighborhood. The highest and best use of the subject property is residential.

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Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

IMPROVEMENTS ANALYSIS

General	Design: Rambler	No. of Units: 1	No. of Stories: Two	Actual Age: 27	Effective Age: 20	
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Under Construction	<input type="checkbox"/> Proposed	<input type="checkbox"/> Attached	<input checked="" type="checkbox"/> Detached	<input type="checkbox"/> Manufactured	<input type="checkbox"/> Modular

Other:

Exterior Elements	Roofing: Metal/Avg	Siding: Log/Avg	Windows: Vinyl Insulated/Avg	
<input type="checkbox"/> Patio	<input checked="" type="checkbox"/> Deck Wooden	<input checked="" type="checkbox"/> Porch Wooden Covered	<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Fence Rear

Other: The landscaping has been well done and appears to be regularly manicured. The home has a studio and three storage sheds.

Interior Elements	Flooring: Carpet/Laninate/Vinyl/Avg	Walls: Log/Drywall/Avg	<input type="checkbox"/> FP# 0				
Kitchen:	<input type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Oven	<input checked="" type="checkbox"/> Fan/Hood	<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Dishwasher	Countertops: Typical for age

Other: The refrigerator is considered personal property. This is the reason this appliance has been excluded from this analysis.

Foundation	<input checked="" type="checkbox"/> Crawl Space	<input type="checkbox"/> Slab	<input type="checkbox"/> Basement
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Attic	<input type="checkbox"/> None	<input checked="" type="checkbox"/> Scuttle	<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairway	<input type="checkbox"/> Finished
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Mechanicals	HVAC: GFA	Fuel: Gas	Air Conditioning: Central	
Car Storage	<input checked="" type="checkbox"/> Driveway 2	<input checked="" type="checkbox"/> Garage 2	<input type="checkbox"/> Carport	<input type="checkbox"/> Finished

Other Elements: The home has full landscaping, fencing and sprinkling system.

Above Grade Gross Living Area (GLA)											
	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bdrms	# Baths	Utility	Other	Area Sq. Ft.
Level 1	Great	Area	1				1	1	1	Mud	1,373
Level 2				1			1	1		Bonus Room	1,130

Finished area above grade contains:	2	Bedroom(s)	2	Bath(s)	2,503	Sq. Ft. of GLA
-------------------------------------	---	------------	---	---------	-------	----------------

Summarize Above Grade Improvements: The home has been well maintained. The home has original cabinetry in the kitchen and some updates in the bathroom. The home has a rustic feel.

Below Grade Area or Other Living Area											
	Living	Dining	Kitchen	Den	Family Rm.	Rec. Rm.	Bdrms	# Baths	Utility	% Finished	Area Sq. Ft.
Below Grade											
Other Living Area											

Summarize below grade and/or other living area improvements: N/A

Discuss physical depreciation and functional or external obsolescence: The physical depreciation of the subject property is typical for a home of this age.

Discuss style, quality, condition, size, and value of improvements including conformity to market area: The home has typical interior appeal for the age and style. Functional utility would be rated as average. The home has typical storage and an adequate layout.

Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

SALES COMPARISON APPROACH

ITEM	SUBJECT	COMPARISON 1	COMPARISON 2	COMPARISON 3
Address	588 N 1525 W Farmington, UT 84025	1751 W Ranch Rd Farmington, UT 84025	1722 W Country Bend Rd Farmington, UT 84025	324 Wrangler Rd Farmington, UT 84025
Proximity to Subject		0.82 miles SW	0.30 miles SW	0.29 miles SW
Data Source/ Verification		WFRMLS#1655617;DOM 2 Agent: Anne Johnson	WFRMLS#1646809;DOM 7 Agent: Rich Varga	WFRMLS#1625205;DOM 8 Agent: Lindsay Huss
Final List Price	\$ N/A	\$ 450,000	\$ 420,000	\$ 450,000
Sale Price	\$ N/A	\$ 455,000	\$ 422,500	\$ 445,000
Sale-To-List Price Ratio	%	101.1 %	100.6 %	98.9 %
Closing Date	N/A	3/16/2020	1/22/2020	9/16/2019
Days On Market	N/A	2	7	8
Price/Gross Living Area	\$	\$ 247.28	\$ 187.28	\$ 181.12
	DESCRIPTION	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment	DESCRIPTION + (-) \$ Adjustment
Financing Type	N/A	VA	Conventional	Conventional
Concessions	N/A	No Concessions	\$5000 Concessions -5,000	\$4500 Concessions -4,500
Contract Date	N/A	2/21/2020	12/26/2019	8/29/2019 +17,800
Location	Average	Average	Average	Average
Site Size	.50 Acre	.53 Acre	0.36 Acre +21,000	.40 Acre +15,000
Site Views/Appeal	Neighborhood	Neighborhood	Neighborhood	Neighborhood
Design and Appeal	Two Story/Average	Rambler/Average	0 Two Story/Average	Two Story/Average
Quality of Construction	Log/Stone/Avg	Stn/Stc/Siding/Avg	0 Stn/Stc/Siding/Avg	0 Stone/Stucco/Avg
Age	27	17 -5,000	16 -5,500	16 -5,500
Condition	Average	Average	Average	Average
Above Grade Bedrooms	Bedrooms 2	Bedrooms 3 -5,000	Bedrooms 4 -10,000	Bedrooms 3 -5,000
Above Grade Baths	Baths 2	Baths 2.5 -1,000	Baths 2.5 -1,000	Baths 2.5 -1,000
Gross Living Area	2,503 Sq.Ft.	1,840 Sq.Ft. +26,500	2,256 Sq.Ft. +9,900	2,457 Sq.Ft. 0
Below Grade Area	0 SF	0 SF	0 SF	0 SF
Below Grade Finish	None	None	None	None
Other Living Area	Deck	Cv Patio	0 Patio,FlagstnPatio +4,000	2 Patios, BB Court -2,000
Amenities	Studio, 3 Sheds	None +5,000	Shed, Firepit +4,000	Shed +4,500
Functional Utility	Average	Average	Average	Average
Heating/Cooling	GFWA/Central	GFWA/Central	GFWA/Central	GFWA/Central
Car Storage	2 Car Garage	3 Car Garage -10,000	2 Car Garage	3 Car Garage -10,000
Fireplaces	0 Fireplace	1 Fireplace -1,000	2 Fireplaces -2,000	1 Fireplace -1,000
Landscaping	Full Landscape	Full Landscape	Full Landscape	Full Landscape
Kitchen	Typical Kitchen	Typical Kitchen	Typical Kitchen	Typical Kitchen
Net Adjustment (total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 9,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 15,400	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 8,300
Adjusted Sale Price		Net Adj. 2.1% Gross Adj. 11.8% \$ 464,500	Net Adj. 3.6% Gross Adj. 14.8% \$ 437,900	Net Adj. 1.9% Gross Adj. 14.9% \$ 453,300

Comments and reconciliation of the sales comparison approach: According to the WFRMLS, the comparables have not sold in the past year. It should be noted that the appraiser measured the subject property as accurately as possible. This may differ from the WFRMLS and/or county records. The square footage represented in this appraisal report is the most accurate that could be derived by this appraiser. The adjustments for lot size are market derived. The appraiser has made the market derived adjustment of \$5,000 for each above grade bedroom. This adjustment reflects the impact on market value for above grade bedrooms in this market segment. The market values in this area are stable/increasing. This is the reason that the appraiser has made the conservative adjustment for time to any sale that exceeds the typical six month time frame. In this case it is only sale #4. The time adjustment is based on a six percent pro-rata annual increase. The appraiser has attempted to meet all of the current guidelines when selecting the sales used. It should be noted, this is an independent valuation, free from coercion and influence by the client. The subject is similar in size and desirability to the majority of homes in the neighborhood. It should be remembered that a diversity of size, style and price is healthy for any real estate sub market. This factor does not effect the homogeneous nature of the subject area. After reviewing a considerable number of comparable sales in this area and taking into account all salient characteristics, it is the opinion of the appraiser that the sales chosen are the most representative homes in comparison to the subject. These sales, viewed independently or collectively, support the final value estimate.

Indication of Value by Sales Comparison Approach \$ 453,000

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ADDITIONAL COMPARABLE SALES

Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

SALES COMPARISON APPROACH								
ITEM	SUBJECT		COMPARISON 4		COMPARISON 5		COMPARISON 6	
Address	588 N 1525 W Farmington, UT 84025		2032 W Ranch Rd Farmington, UT 84025					
Proximity to Subject			0.81 miles SW					
Data Source/ Verification			WFRMLS#1602875; DOM 43 Agent: Mark Butler					
Final List Price	\$	N/A	\$	425,000	\$		\$	
Sale Price	\$	N/A	\$	420,000	\$		\$	
Sale-To-List Price Ratio		%		98.8 %		%		%
Closing Date	N/A		7/16/2019					
Days On Market	N/A		43					
Price/Gross Living Area	\$		\$	148.31	\$		\$	
	DESCRIPTION		DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment	DESCRIPTION	+ (-) \$ Adjustment
Financing Type	N/A		Conventional					
Concessions	N/A		No Concessions					
Contract Date	N/A		6/9/2019					
Location	Average		Power Lines Rear					
Site Size	.50 Acre		.47 Acre					
Site Views/Appeal	Neighborhood		Neighborhood					
Design and Appeal	Two Story/Average		Two Story/Average					
Quality of Construction	Log/Stone/Avg		Brick/Stucco/Avg					
Age	27		14					
Condition	Average		Average					
Above Grade Bedrooms	Bedrooms	2	Bedrooms	4	-10,000	Bedrooms	Bedrooms	
Above Grade Baths	Baths	2	Baths	2.5	-1,000	Baths	Baths	
Gross Living Area		2,503 Sq.Ft.		2,832 Sq.Ft.	-13,200	Sq.Ft.	Sq.Ft.	
Below Grade Area	0 SF		0 SF					
Below Grade Finish	None		None					
Other Living Area	Deck		Patio		+5,000			
Amenities	Studio, 3 Sheds		None		+5,000			
Functional Utility	Average		Average					
Heating/Cooling	GFWA/Central		GFWA/Central					
Car Storage	2 Car Garage		3 Car Garage		-10,000			
Fireplaces	0 Fireplace		1 Fireplace		-1,000			
Landscaping	Full Landscape		Full Landscape					
Kitchen	Typical Kitchen		Typical Kitchen					
Net Adjustment (total)			<input checked="" type="checkbox"/> + <input type="checkbox"/> -		\$ 9,300	<input type="checkbox"/> + <input type="checkbox"/> -	\$	<input type="checkbox"/> + <input type="checkbox"/> - \$
Adjusted Sale Price			Net Adj. 2.2 %			Net Adj. %		Net Adj. %
			Gross Adj. 22.1 %		\$ 429,300	Gross Adj. %		Gross Adj. %

Comments and reconciliation of the sales comparison approach:

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Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them at the time of the assignment. The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.
- A true and complete copy of this report contains 17 pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

VALUE DEFINITION

Market Value Definition (below)

Alternate Value Definition (attached)

MARKET VALUE is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: Appraisal Institute Dictionary of Real Estate Appraisal

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Client:	Farmington City	Client File #:	
Subject Property:	588 N 1525 W, Farmington, UT 84025	Appraisal File #:	20042302

APPRAISER CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

None Name(s) _____

As previously identified in the scope of work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as:

Appraiser None Interior Exterior

Co-Appraiser None Interior Exterior

ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS

Appraisal Institute Member Certify:

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

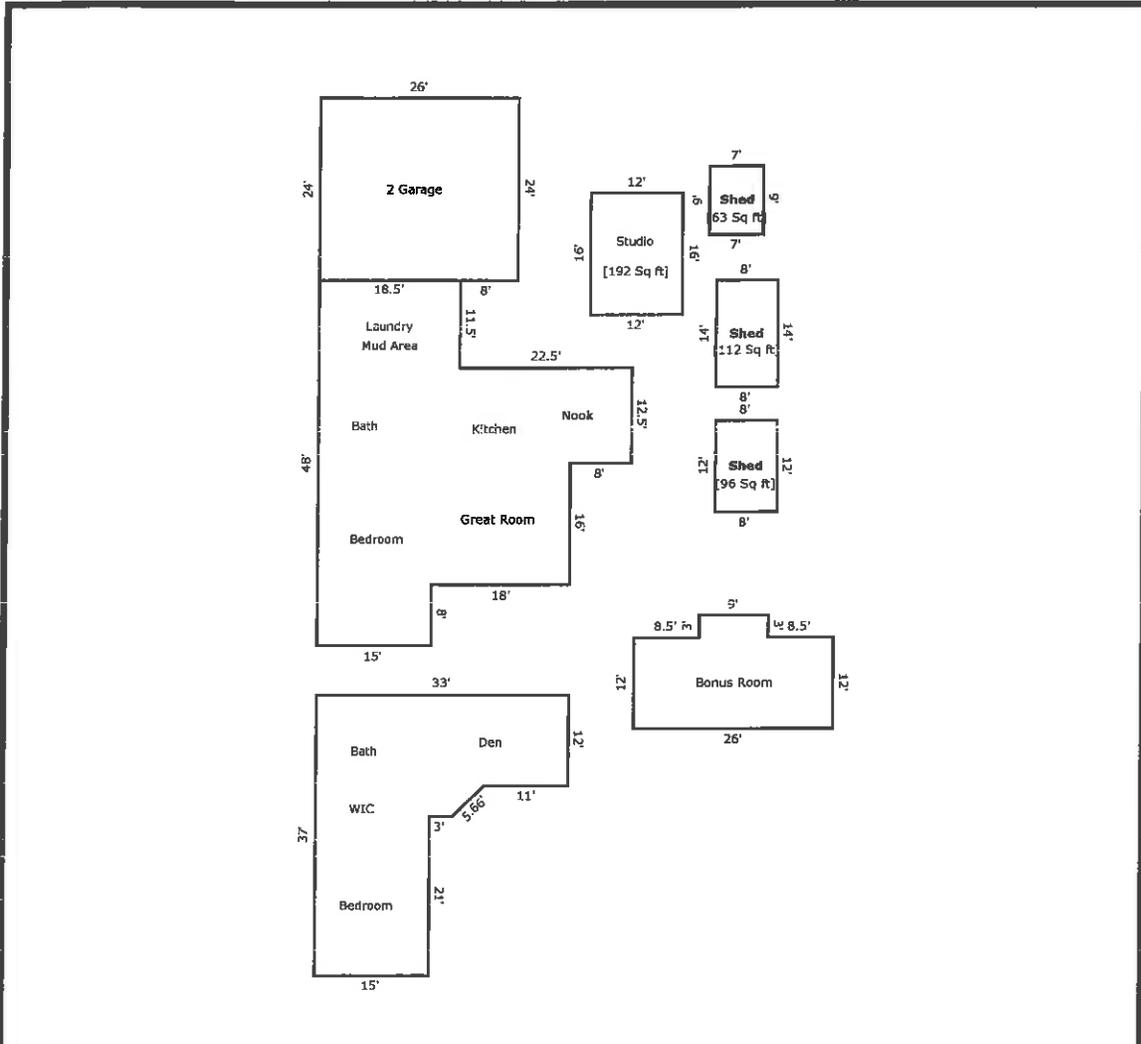
Designated Appraisal Institute Member Certify: • As of the date of this report, I <input checked="" type="checkbox"/> have / <input type="checkbox"/> have not completed the continuing education program of the Appraisal Institute.	Designated Appraisal Institute Member Certify: • As of the date of this report, I <input type="checkbox"/> have / <input type="checkbox"/> have not completed the continuing education program of the Appraisal Institute.
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APPRAISER: Signature  Name <u>Lynn Christensen</u> Report Date <u>05/07/2020</u> State Certification # <u>5451268-CR00</u> ST UT or License # _____ ST Expiration Date <u>06/30/2021</u>	CO-APPRAISER: Signature _____ Name _____ Report Date _____ State Certification # _____ ST or License # _____ ST Expiration Date _____
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Building Sketch

Borrower	Farmington City		
Property Address	588 N 1525 W		
City	Farmington	County Davis	State UT Zip Code 84025
Lender/Client	Farmington City		



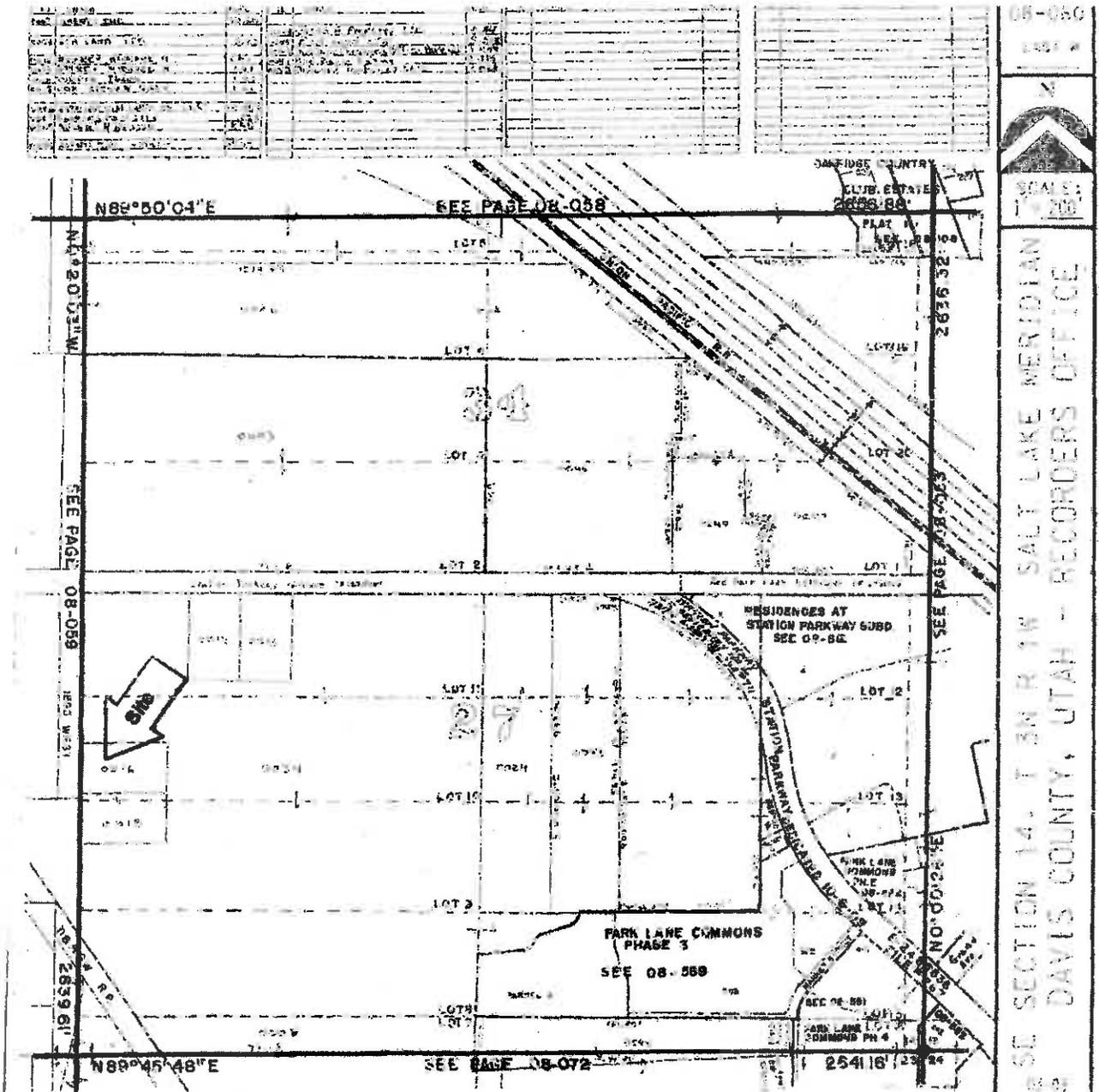
TOTAL Sketch by: a la mode, inc.

Area Calculations Summary

Living Area	Area	Calculation
First Floor	1373.25 Sq ft	$12.5 \times 8 = 100$ $18.5 \times 11.5 = 212.75$ $33 \times 28.5 = 940.5$ $8 \times 15 = 120$
Second Floor	791 Sq ft	$15 \times 21 = 315$ $0.5 \times 4 \times 4 = 8$ $18 \times 4 = 72$ $33 \times 12 = 396$
Second Floor	339 Sq ft	$9 \times 3 = 27$ $12 \times 26 = 312$
Total Living Area (Rounded):	2503 Sq ft	
Non-living Areas		
Shop	192 Sq ft	$16 \times 12 = 192$
2 Car Garage	624 Sq ft	$26 \times 24 = 624$
Shed	96 Sq ft	$12 \times 8 = 96$
Shed	63 Sq ft	$9 \times 7 = 63$
Shed	112 Sq ft	$8 \times 14 = 112$

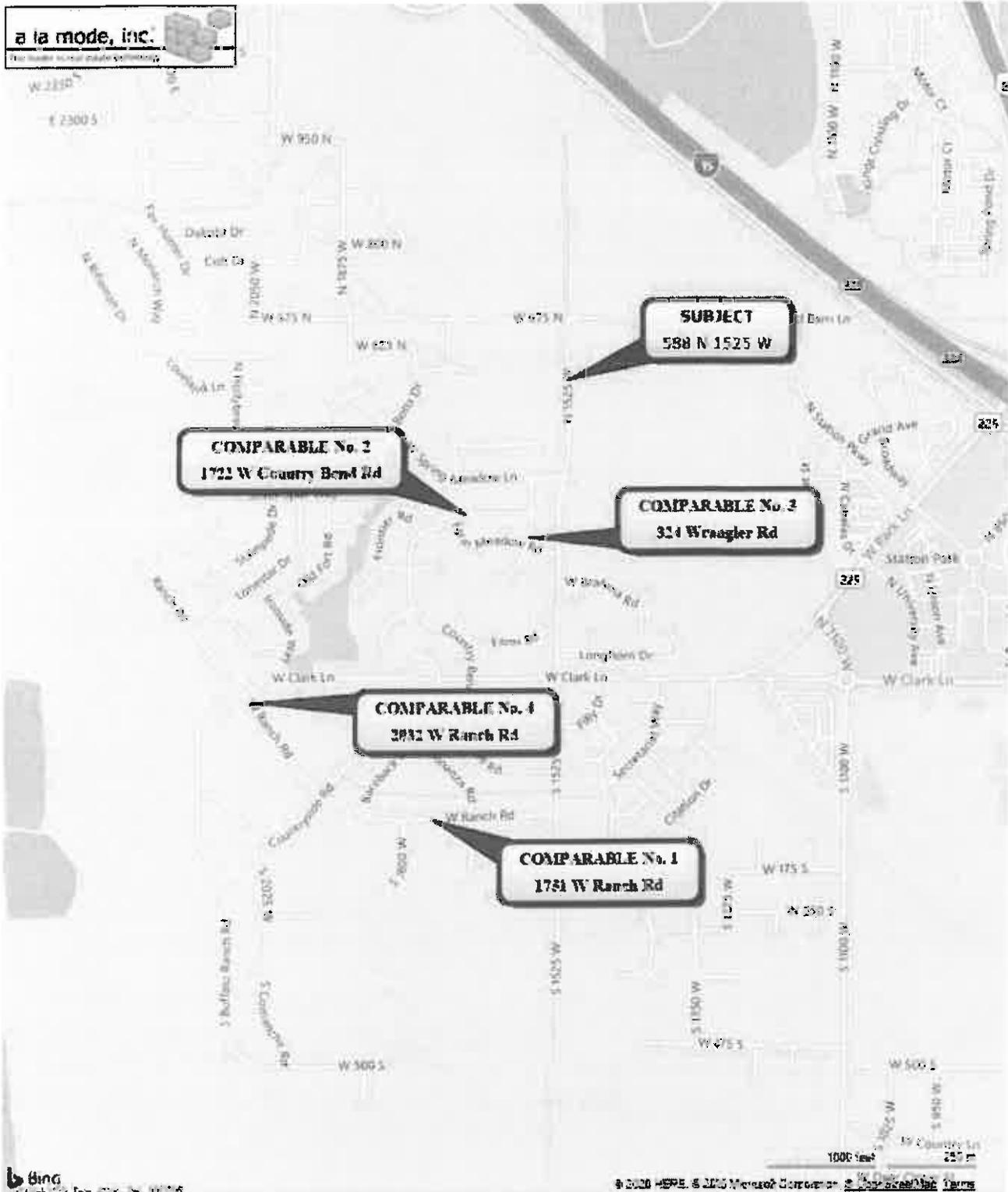
Plat Map

Borrower	Farmington City		
Property Address	588 N 1525 W		
City	Farmington	County Davis	State UT Zip Code 84025
Lender/Client	Farmington City		



Location Map

Borrower	Farmington City		
Property Address	588 N 1525 W		
City	Farmington	County Davis	State UT Zip Code 84025
Lender/Client	Farmington City		



Subject Photo Page

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT
Lender/Client	Farmington City				
				Zip Code	84025



Subject Front

588 N 1525 W	
Sales Price	N/A
Gross Living Area	2,503
Total Rooms	
Total Bedrooms	2
Total Bathrooms	2
Location	Average
View	Neighborhood
Site	.50 Acre
Quality	Log/Stone/Avg
Age	27



Subject Rear



Subject Street

Additional Photos

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT
Lender/Client	Farmington City	Zip Code	84025		



STUDIO



SHED



SHED



GREAT ROOM



KITCHEN



NOOK

Additional Photos

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT
Lender/Client	Farmington City				
				Zip Code	84025



BEDROOM



BATHROOM



LAUNDRY



BONUS ROOM



DEN



BEDROOM

Additional Photos

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT
Lender/Client	Farmington City				
				Zip Code	84025



WALK-IN CLOSET



BATHROOM

Comparable Photo Page

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT
Lender/Client	Farmington City				
				Zip Code	84025



Comparable 1

1751 W Ranch Rd
 Prox. to Subject **0.82 miles SW**
 Sales Price **455,000**
 Gross Living Area **1,840**
 Total Rooms
 Total Bedrooms **3**
 Total Bathrooms **2.5**
 Location **Average**
 View **Neighborhood**
 Site **.53 Acre**
 Quality **Stn/Stc/Siding/Avg**
 Age **17**



Comparable 2

1722 W Country Bend Rd
 Prox. to Subject **0.30 miles SW**
 Sales Price **422,500**
 Gross Living Area **2,256**
 Total Rooms
 Total Bedrooms **4**
 Total Bathrooms **2.5**
 Location **Average**
 View **Neighborhood**
 Site **.36 Acre**
 Quality **Stn/Stc/Siding/Avg**
 Age **16**



Comparable 3

324 Wrangler Rd
 Prox. to Subject **0.29 miles SW**
 Sales Price **445,000**
 Gross Living Area **2,457**
 Total Rooms
 Total Bedrooms **3**
 Total Bathrooms **2.5**
 Location **Average**
 View **Neighborhood**
 Site **.40 Acre**
 Quality **Stone/Stucco/Avg**
 Age **16**

Comparable Photo Page

Borrower	Farmington City				
Property Address	588 N 1525 W				
City	Farmington	County	Davis	State	UT Zip Code 84025
Lender/Client	Farmington City				



Comparable 4

2032 W Ranch Rd
Prox. to Subject 0.81 miles SW
Sale Price 420,000
Gross Living Area 2,832
Total Rooms
Total Bedrooms 4
Total Bathrooms 2.5
Location Power Lines Rear
View Neighborhood
Site .47 Acre
Quality Brick/Stucco/Avg
Age 14

REAL ESTATE EXCHANGE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is made and entered into as of the 1 day of June, 2020, by and between **DEBRA TURPIN**, an individual, hereinafter referred to as “Turpin,” and **FARMINGTON CITY** and the **REDEVELOPMENT AGENCY OF FARMINGTON CITY**, each a Utah municipal corporation. Farmington City is hereinafter referred to as the “City,” and the Redevelopment Agency of Farmington City is hereinafter referred to as the “Agency.”

RECITALS:

A. Turpin is the owner of approximately 1.01 acres of real property consisting of land and a residence, located at approximately 588 North 1525 West, Farmington, Utah, which real property is generally shown on Exhibit “A” attached hereto and by this reference made a part hereof.

B. The Agency is the owner of approximately 0.54 acres of real property consisting of vacant land, which real property is generally shown on Exhibit “B” attached hereto and by this reference made a part hereof.

C. The City is charged with the duty and obligation to provide transportation infrastructure for the benefit of the public, and the Agency is a related entity to the City with a shared purpose relating to transportation infrastructure in redevelopment project areas within the City.

D. Turpin and the City desire to exchange their parcels, with the City paying additional monetary compensation to Turpin, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Exchange.** The Parties hereby agree that Turpin shall convey to the City the property generally shown on Exhibit “A.” The Agency shall convey to Turpin the property generally shown on Exhibit “B.” In addition to the exchange of parcels, the City on the Closing Date, shall pay to Turpin the sum of **FOUR HUNDRED FIFTY THREE THOUSAND DOLLARS (\$453,000.00)**, payable in lawful money of the United States in accordance with all the provisions of this Agreement. Conveyance of the properties shall be accomplished by mutual special warranty deeds.

2. **Settlement and Closing.** Time is of the essence to this Agreement. Settlement shall take place on or before, July 3, 2020, or at such other date which the City and Agency, and Turpin shall agree in writing. “Settlement” shall occur only when all of the following have been completed: (a) the parties have signed and delivered to Backman Title Company (the “Closing Office”), or such other office as the parties shall hereafter agree, all documents required by this Agreement, by written escrow instructions or by applicable law; and (b) any monies required to be paid by the City and/or the Agency under these documents have been delivered to Turpin or to the Closing Office in the form of collected or cleared funds. At Settlement, the City, the Agency

and Turpin shall deliver to each other duly executed and acknowledged Special Warranty Deeds for the real property to be exchanged. The transaction will be considered "Closed" when Settlement has been completed, and when the applicable closing documents have been recorded in the office of the Davis County Recorder. The transaction shall be Closed within four calendar days of Settlement.

3. **Title Insurance.** The Parties shall each furnish good and marketable title to the property each conveys, by a current ALTA standard-coverage owner's policy of title insurance in amounts to be agreed upon by the Parties. The City shall order preliminary commitments for policies of title insurance to be issued by the Closing Office. Copies of the preliminary commitment shall be delivered to Turpin within fourteen (14) days of the execution of this Agreement. The Parties shall each give written notice to the other specifying reasonable objections to title. Thereafter, each Party shall be required, through escrow at closing to cure the defects to which the acquiring party has objected. The Title Policy to be issued shall contain no exceptions other than those provided for in said standard form and accepted by the acquiring party. If title cannot be made so insurable through an escrow agreement at closing, either party may elect to waive such defects or encumbrances, or may elect to terminate this Agreement.

4. **Warranties of Seller.** The Parties each warrant that they have no knowledge or have received no claim nor notice of any environmentally hazardous condition or building or zoning violation concerning their respective properties which has not or will not be remedied prior to Closing. Each Party warrants that all obligations against the Property including taxes, assessments, mortgages, liens, assessments or other encumbrances of any nature shall be brought current on or before Closing. No other representations have been made by the Parties to each other. Each party accepts the Property it will acquire in "AS IS" condition subject only to the warranties contained herein. Each Party acknowledges that it has physically examined the Property it will acquire and has satisfied itself as to the condition of the Property. Each Party agrees that it is acquiring the property it will acquire upon its own examination and judgment and not by reason of any representation made by the other Party as to its condition, size, location, present value, future value, income or as to its production. In the event either Party desires an additional inspection, said inspection shall be allowed by the other Party but arranged for and paid by the Party seeking the additional inspection. Turpin specifically acknowledges that once title has been conveyed, further use and/or development of the property conveyed by the Agency to Turpin shall comply with all ordinances of Farmington City. However, notwithstanding any term in this Agreement to the contrary, the City and the Agency acknowledge that the use of the property in Exhibit "B" for a home is allowed under the provisions of the current zone. This is a material term to this Agreement and shall survive closing. Any further land use approvals required for the use of the parcel consistent with these provisions are administrative in nature.

5. **Prorations.** The City shall pay all of the escrow closing fee. Costs of providing title insurance shall be paid by each Party for the property it is acquiring. Taxes and assessments shall be prorated to the date of closing and shall be paid by each Party for the property it will convey for the partial year of 2020. Each party shall be responsible for taxes and assessments on its acquired parcel from the date of closing as well as recording costs for the special warranty deed it receives. A nontransferable credit is granted to the "Seller" for nonimpact fee related building fees paid at the issuance of a building permit on the parcel labeled "Exhibit B" {those fees which the seller is exempt from paying are specifically limited to – Building permit fee 10-320-210, single family plan review fee residential 10-320-210, and the single family review deposit 10-320-

210}. In addition, the city agrees to stub culinary water and storm water utility connections to the lot described as "Exhibit B" for the purpose of building a residential unit on the lot. The City has also evaluated the need for sidewalk along the lot identified as "Exhibit B" and has deemed a sidewalk to be unnecessary at this time, however the city shall retain ownership of the right of way along 100 N and reserves the right to install sidewalk at any time it deems appropriate. Potential sidewalk installation shall be at the expense of the City and not the responsibility of the "Seller".

6. **Contingencies.** This Purchase Agreement is contingent on the following:
- a. Formal approval of the terms of this Agreement by the City Council of Farmington City and by the Board of Directors of the Agency; and
 - b. Clearance of any objections to Title as set forth in Paragraph 3, above.

7. **Possession.** Each party shall take possession of the property to be acquired by it under the terms of this Agreement from the date of Closing. From the time of possession, all benefits and burdens of ownership of the property shall be deemed transferred. Turpin shall be permitted to remain in the home for 12 months rent free after closing. The cost of maintenance and repairs needed for the home shall be borne by Turpin during the period she remains in the home.

8. **Notices.** Any notice required or desired to be given pursuant to this Agreement shall be delivered personally or mailed by certified mail, return receipt requested, postage prepaid, to the parties as follows:

The Agency: Redevelopment Agency of Farmington City
Attn: Shane Pace, Executive Director
160 S. Main
Farmington, Utah 84025

With a Copy to:

Todd J. Godfrey, Agency Attorney
Hayes Godfrey Bell, P.C.
2118 East 3900 South, Suite 300
Holladay, Utah 84124

Turpin: Debra Turpin
588 North 1525 West
Farmington, Utah 84025

Either Party may change its address by notice given as required above.

9. **Default.** If either party defaults, the other may elect to pursue any and all remedies available at law or in equity.

10. **Abrogation.** Except for those paragraphs in this Agreement expressly surviving the Closing, and the express warranties contained in this Agreement, execution and delivery of the final closing documents shall abrogate this Agreement.

DT

11. **Successors and Assigns.** This Agreement shall bind each of the parties hereto and their respective managers, partners, principals, successors and assigns.

12. **Entire Agreement.** This Agreement, with any exhibits incorporated by reference, constitutes the final expression of the parties' agreement and is a complete and exclusive statement of the terms of that agreement. This Agreement supersedes all prior or contemporaneous negotiations, discussions and understandings, whether oral or written or otherwise, all of which are of no further effect. This Agreement may not be changed, modified or supplemented except in writing signed by the parties hereto.

13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

14. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one single agreement. Facsimile transmission of any signed original document, and the retransmission of any signed facsimile shall be the same as delivery of an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement individually or by and through their respective, duly authorized representatives as of the day and year first above written.

"AGENCY"

**REDEVELOPMENT AGENCY OF
FARMINGTON CITY**

By: Shane Pace
Shane Pace, Executive Director

ATTEST:

Holly Gadd
City Recorder

By: Shane Pace
ROA, Chair

"CITY"

FARMINGTON CITY

ATTEST:

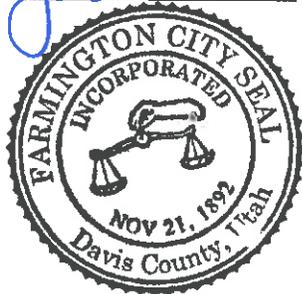
Holly Gadd
City Recorder

By: H. James Talbot
H. James Talbot, Mayor

"TURPIN"

DEBRA TURPIN

Debra Turpin
By: Debra Turpin, an individual

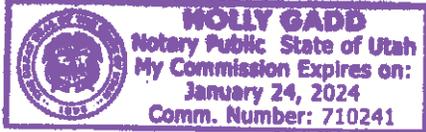


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AGENCY ACKNOWLEDGMENT

STATE OF UTAH)
) :ss.
COUNTY OF DAVIS)

On the 1 day of JUNE, 2020, personally appeared before me Shane Pace, who being duly sworn, did say that he is the Executive Director of the **REDEVELOPMENT AGENCY OF FARMINGTON CITY**, a municipal corporation of the State of Utah, and H. James Talbot who being duly sworn, did say that he/she is the Chair of the Board of Directors of the Agency, and that the foregoing instrument was signed in behalf of the Agency by authority of its governing body and both acknowledged to me that the Agency executed the same.



Holly Gadd
Notary Public
Residing at:

My Commission Expires:

01/24/2024

Davis County

CITY ACKNOWLEDGMENT

STATE OF UTAH)
) :ss.
COUNTY OF DAVIS)

On the 1 day of JUNE, 2020, H. James Talbot, the Mayor of Farmington City, personally appeared before me and duly acknowledged to me that he executed the same on behalf of the City.



Holly Gadd
Notary Public
Residing at:

My Commission Expires:

01/24/2024

Davis County

TURPIN ACKNOWLEDGMENT

STATE OF UTAH)
)
) :ss.
)
COUNTY OF SALT LAKE)

On the 29th day of May, 2020, personally appeared before me Debra Turpin, the signer(s) of the foregoing instrument who duly acknowledged that she executed the same.

Idy Christensen

Notary Public

Residing at:

My Commission Expires:

2-12-21

227 No. Main

Farmington, UT 84025



DT

EXHIBIT "A"
588 N 1525 W [1.01 acres]
Parcel ID 080600016

Legal Description

BEG ON E LINE OF A RD AT A PT N 00°20'03" W 990.21 FT ALG 1/4 SEC LINE FR S 1/4 COR
OF SEC-14-T3N-R1W, SLM; & RUN TH N 89°39'57" E 275.0 FT; TH S 00°20'03" E 160.0 FT; TH S
89°39'57" W 275.0 FT TO SD E LINE; TH N 00°20'03" W ALG SD E LINE TO POB. CONT. 1.01
ACRES

EXHIBIT "B"
55 W 100 N [0.54 acres]
Parcel ID 070290024

Legal Description

BEG AT A PT 154.0 FT W ALG THE S LINE OF A STR FR THE NE COR OF LOT 5, BLK 10, PLAT A, FARMINGTON TS SURVEY & RUN TH S 165.0 FT TO THE S LINE OF SD LOT 5; TH W 143.50 FT, M/L; TH N 165.0 FT TO THE S LINE OF A STR; TH E 143.50 FT, M/L, ALG SD STR TO THE POB. CONT. 0.544 ACRES.

DT

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

SUBJECT: Minute Motion Approving Summary Action List

1. First Amended and Restated Interlocal Agreement – Utah Risk Management Agency (URMA)

NOTE: Appointments must be scheduled 14 days prior to Council Meetings: discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
DOUG ANDERSON
ALEX LEEMAN
CORY RITZ
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Mayor and City Council

From: Holly Gadd

Date: June 18, 2020

SUBJECT: First Amended and Restated Interlocal Agreement – Utah Risk Management Agency (URMA)

RECOMMENDATION

Approve the enclosed First Amended and Restated Interlocal Agreement with Utah Risk Management Agency (URMA).

BACKGROUND

Attached is the First Amended and Restated Interlocal Agreement with Utah Risk Management Agency (URMA). This has been reviewed by all the City Attorneys and City Managers from the member cities and approved by the URMA Board. According to the original agreement, the governing boards of all the member cities of URMA must approve these proposed changes. URMA recently changed its name and decided to clean up the agreement to be more in line with long standing URMA practices and procedures.

Respectfully Submitted


Holly Gadd
City Recorder

Review & Concur


Shane Pace
City Manager

FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT OF THE
UTAH RISK MANAGEMENT AGENCY

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**FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT OF THE
UTAH RISK MANAGEMENT AGENCY**

THIS AGREEMENT is made and entered into in the State of Utah among the Members of the Utah Risk Management Agency, a political subdivision of the State of Utah. Each party agrees to abide by the terms of this agreement. The parties to this agreement are collectively referred to as “Members” or “parties” and individually as “Member” or “party.”

RECITALS

WHEREAS, the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 *et seq.*, permits two or more public agencies to enter into an agreement with one another for joint or cooperative action, to provide services they are each authorized by statute to provide, to make the most efficient use of their powers by enabling them to cooperate with other public agencies on a basis of mutual advantage, and to do anything they are each authorized by statute to do;

WHEREAS, Utah Code Ann. §11-13-203 provides that two or more Utah public agencies may enter into an agreement to approve the creation of a Utah interlocal entity to accomplish the purpose of their joint or cooperative action;

WHEREAS, Utah Code Ann. §63G-7-801(1) provides that a governmental entity may purchase commercial insurance, self-insure, or self-insure and purchase excess commercial insurance;

WHEREAS, Utah Code Ann. §63G-7-801(2) provides that any government entity may self-insure by establishing a trust account to expend principal and earnings of the trust account solely to pay the cost of investigation, discovery, and other pretrial and litigation expenses including attorneys’ fees, and pay all sums for which the governmental entity may be adjudged liable or for which a compromise settlement may be agreed upon;

WHEREAS, on or about September 30, 1985, the governing bodies of certain public agencies formed the Utah Municipal Risk Management Association and began operations by entering into an agreement titled Interlocal Agreement Creating the Utah Risk Management Association; and

WHEREAS, the parties now desire to amend the Interlocal Agreement Creating the Utah Municipal Risk Management Association to make various changes, updates, corrections and additions by approving and adopting this First Amended and Restated Interlocal Agreement of the Utah Risk Management Agency (“First Amended Agreement”).

Now, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties mutually hereto agree as follows:

ARTICLE 1 (Definitions)

1.1 The following definitions shall apply to the provisions of this First Amended Agreement:

- (a) "Agency" shall mean the Utah Risk Management Agency;
- (b) "Board of Directors" or "Board" shall mean the governing body of the Agency;
- (c) "Claims" shall mean demands made against the Agency or its Members arising out of occurrences which are within the Agency's Joint Protection Program;
- (d) "Excess insurance" shall mean that insurance which may be purchased on behalf of the Agency to protect the funds of the Agency against catastrophes or an unusual frequency of losses during a single year;
- (e) "Executive Director" shall mean the person appointed by the Board of Directors who is the chief executive officer of the Agency, and is responsible for, among other things, the management and administration of the Joint Protection Program of the Agency;
- (f) "Fiscal year" shall mean that period of twelve months which is established as the fiscal year of the Agency;
- (g) "Joint Protection Program" shall mean the program of establishing the risk protection provided for in this First Amended Agreement;
- (h) "Risk Coverage" shall mean and include joint protection through a funded program or any commercial insurance contract.

ARTICLE 2 (Purposes)

2.1 This First Amended Agreement is entered into by the Members to provide more comprehensive and economical risk coverage, to reduce the amount and frequency of Members' losses, and to decrease the cost incurred by Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in operating the Agency and administering the Joint Protection Program, whereby Members pool their resources to protect against losses and claims, jointly purchase excess insurance (if available) and obtain administrative services including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

ARTICLE 3 (Non-Wavier of Immunity)

3.1 It is the express intent of the Members in entering into this First Amended Agreement that they do not waive and are not waiving any immunity or limitation on liability provided to the Members or their officials, employees, or agents by any law, including any such

immunity or limitation appearing in the Governmental Immunity Act of Utah, Utah Code Ann. §63G-7-101 *et seq.*

ARTICLE 4 (Parties to Agreement)

4.1 Each party to this First Amended Agreement certifies that it intends to and does contract with all other Members that are signatories of this First Amended Agreement and, in addition, with such other Members as may later be added to and become signatories of this First Amended Agreement pursuant to Article 23. Each party to this First Amended Agreement also certifies that the deletion of any Member from this First Amended Agreement, pursuant to Articles 24 and 25, shall not affect this First Amended Agreement nor such party's intent to contract with the other parties to the First Amended Agreement then remaining.

ARTICLE 5 (Term of Agreement)

5.1 This First Amended Agreement shall become effective upon:

- (a) submission, approval, and execution of this First Amended Agreement by each Member's governing body and in accordance with Utah Code Ann. §11-13-202(2);
- (b) review and approval by the attorney authorized to represent each Member, in accordance with Utah Code Ann. §11-13-202.5; and
- (c) filing of this First Amended Agreement with the person who keeps each Member's records.

5.2 The term of this First Amended Agreement shall be fifty (50) years, pursuant to Utah Code Ann. §11-13-204, unless renewed as permitted by law, or until the Members dissolve the Agency.

ARTICLE 6 (Creation of Agency)

6.1 The Agency, a separate and independent governmental organization, was formed by agreement by Members pursuant to the provisions of the Interlocal Cooperation Act, Utah Code Ann. §11-13-1 *et seq.*

ARTICLE 7 (Powers of Agency)

7.1 The Agency has the powers common to governmental entities and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (a) To make and enter into contracts;
- (b) To incur debts, liabilities or obligations;

- (c) To acquire, hold, or dispose of: property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations or governmental entities;
- (d) To sue and be sued in its own name; and
- (e) To exercise all powers necessary and proper to carry out the terms and provisions of this First Amended Agreement, or otherwise authorized by law.

All powers of the Agency shall be exercised pursuant to the terms hereof, the By-Laws, and any governing laws.

ARTICLE 8 (Voting Rights of Members)

8.1 All votes of the Agency shall be weighted votes. Each Member shall be entitled to one vote for each One Thousand Dollars (\$1,000.00) of contribution paid by that Member for the Joint Protection Program coverage then in effect. The votes will be calculated and implemented effective July 1st of each year.

ARTICLE 9 (Liabilities and Obligations of the Agency)

9.1 This First Amended Agreement shall not relieve any Member of any obligation or responsibility imposed upon it by law except to the extent of actual and timely performance thereof by the Agency, said performance may be offered in satisfaction of the obligation or responsibility.

ARTICLE 10 (Board of Directors)

10.1 The Agency shall be governed by a Board of Directors, which is composed of a representative from each Member. The Board of Directors shall be an elected or appointed official of the Member. The manner of filling vacancies on the Board of Directors as well as the powers and responsibilities of the Chairman of the Board is established in the By-Laws.

10.2 The Board of Directors shall determine the number of members to serve on the Executive Committee and may delegate an Executive Committee such powers and responsibilities as the Board deems appropriate. The composition, manner of selection, and powers and responsibilities of the Executive Committee are established in the By-Laws.

10.3 In all matters voted upon by the Board of Directors, each member of the Board may cast the same number of votes as the Member they represent may cast under Article 8.

ARTICLE 11 (Powers and Duties of the Board of Directors)

11.1 The Board of Directors of the Agency shall have the following powers and duties:

- (a) The Board of Directors shall appoint an Executive Director and any other officers as appropriate;

- (b) The Board of Directors shall determine and select a Joint Protection Program for the Agency;
- (c) The Board of Directors shall determine and select all coverage, including excess insurance (if available), necessary to carry out the Joint Protection Program of the Agency;
- (d) The Board of Directors shall have authority to contract for or develop various services for the Agency, including claims adjusting, legal services, loss control, and risk management consulting services;
- (e) The Board of Directors shall cause to be prepared the operating budget of the Agency for each fiscal year;
- (f) The Board of Directors shall have the authority to appoint committees;
- (g) The Board of Directors shall receive and act upon reports of appointed committees and the Executive Director;
- (h) The Board of Directors shall have the power to hire such persons as the Board deems necessary for the administration of the Agency, including the “borrowing” of employees from one or more of the Members, subject to the approval of the Member. Any Member whose employee is so “borrowed” according to this provision shall be reimbursed by the Agency for that employee’s time spent or services rendered on behalf of the Agency;
- (i) The Board of Directors shall have the general supervisory and policy control over the day-to-day decisions and administrative activities of the Executive Director of the Agency;
- (j) The Board of Directors shall provide for the investment and disbursement of funds;
- (k) The Board of Directors shall receive and review periodic accountings of all funds of the Agency;
- (l) The Board of Directors shall have the authority to establish contributions by the Members;
- (m) The Board of Directors shall have the authority to establish criteria for new Members;
- (n) The Board of Directors shall have the authority to admit new Members on such terms and conditions as it deems appropriate;
- (o) The Board of Directors may establish membership standards that promote commitment to the Agency’s risk management requirements;
- (p) The Board of Directors shall have the authority to establish rules governing its own conduct and procedure consistent with the By-Laws;
- (q) The Board of Directors shall have the authority to amend the By-Laws by a two-thirds (2/3) vote of the Board;
- (r) The Board of Directors shall have other powers and duties that are necessary for the operation or dissolution and winding up of the Agency and for the

implementation of the By-Laws subject to the limits of this First Amended Agreement and the By-Laws.

ARTICLES 12 (Meetings of the Board of Directors)

12.1 The Board of Directors shall provide for its regular, adjourned regular, special and adjourned special meetings. Such meetings shall be conducted quarterly or as often as directed by a majority of the Board or the Chairman of the Board. The Board should hold at least one regular meeting annually.

12.2 Meetings may be conducted by telephonic or other technological means of communication in accordance with the Open and Public Meetings Act, Utah Code Ann. § 52-4-101 *et seq.*

12.3 The Secretary of the Agency shall cause minutes of regular, adjourned regular, special, and adjourned special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be available to each member of the Board.

12.4 The presence of Board members entitled to cast a majority of the votes of the entire Board shall constitute a quorum for the transaction of the business, except that less than a quorum may adjourn from time to time. A majority vote of the total votes entitled to be cast by Board members shall constitute action by the Board.

ARTICLE 13 (Meetings of Members)

13.1 The frequency, format, method of voting, quorum requirements, and other rules governing Member meetings are established by the By-Laws of the Agency.

ARTICLE 14 (Officers, Agents and Personnel of the Agency)

14.1 Executive Director. The Executive Director shall be appointed by the Board and shall have the general administrative responsibility for the activities of the Joint Protection Program. The Executive Director is the chief executive officer of the Agency, and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Agency, and shall have such other and related duties as may be prescribed by the Board of Directors or the By-Laws.

14.2 Secretary. The Secretary shall be appointed by the Executive Director and shall be responsible for all minutes, notices and records of the Agency and shall perform such other duties as may be assigned by the Executive Director.

14.3 Treasurer. The Treasurer shall be appointed by the Executive Director and confirmed by the Board. The duties of the Treasurer are set forth in Articles 17 and 18 of this First Amended Agreement.

14.4 Legal Counsel. The Executive Director may select an attorney for the Agency who may be a Member employee, or the Executive Director may employ independent counsel as the attorney for the Agency. The attorney shall serve at the pleasure of the Executive Director.

14.5 Other Officers, Agents, and Personnel. The Executive Director shall have the power to appoint such other officers, agents and personnel as may be necessary in order to carry out the purposes of this First Amended Agreement.

14.6 Terms of Office, Removals and Resignations, Filling of Vacancies. Terms of office, provisions for removal and resignation, and provisions for filling vacancies, and so forth are established by the By-Laws.

ARTICLE 15 (Joint Protection Program Coverage)

15.1 The Joint Protection Program coverage provided for Members by the Agency may include protection for Personal Injury, Property Damage, Errors and Omissions, Comprehensive Liability, Property Insurance coverages, and such other types of coverage required by law or adopted by the Board of Directors.

15.2 The Agency shall maintain a Joint Protection Program limit for Members determined by the Board of Directors to be appropriate. The Board of Directors may arrange for the purchase of insurance for Members interested in obtaining additional coverage above this limit, at additional cost and fees to those participating Members.

15.3 The Board of Directors may arrange for the purchase of any insurance deemed necessary to protect the funds of the Agency against catastrophes.

15.4 Each Member shall be required to purchase the Joint Protection Program coverages defined by the Board of Directors as the "core joint protection coverage package." The Agency may provide other coverage to Members in addition to the core joint protection coverage package.

15.5 The requirements of Section 15.4 may be waived by the Board at its option or, for the first year of membership of any Member, the requirements of Section 15.4 may be waived if that Member has otherwise purchased coverage.

ARTICLE 16 (Development of the Joint Protection Program)

16.1 The Board of Directors shall develop criteria for determining each Member's annual share of pooled losses, capitalization needs, expenses, and contribution to a catastrophe fund which may include the Member's individual loss experience and such other criteria as the Board of Directors may determine to be relevant.

16.2 The annual calculation of the amount of estimated contributions for the up-coming fiscal year will be provided when requested by each Member.

ARTICLE 17 (Accounts and Records)

17.1 Annual Budget. The Agency shall annually adopt an operating budget, pursuant to Article 11 of this First Amended Agreement.

17.2 Funds and Accounts. The Treasurer of the Agency shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Board of Directors. Books and records of the Agency in the hands of the Treasurer shall be open to any inspection at all reasonable times by Member representatives.

17.3 Treasurer's Report. Within ninety (90) days after the close of each fiscal year, the Treasurer shall give a complete written report of all financial activities for such fiscal year to the Board.

17.4 Annual Audit. The Board of Directors shall provide for a certified, annual audit of the accounts and records of the Agency, which audit shall conform to generally accepted auditing standards. Such audit of the accounts and records made by a Certified Public Accountant(s) shall be open to any inspection at all reasonable times by Member representatives. Any costs of the audit, including contracts with, or employment of Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Agency and shall be included within the term "administrative costs."

ARTICLE 18 (Responsibility for Monies)

18.1 The Treasurer of the Agency or their designee shall have the custody of and shall disburse the Agency's funds. The Treasurer shall have the authority to delegate the signatory function of the Treasurer to such persons as are authorized by the Executive Director.

18.2 A bond in the amount set by the Board of Directors shall be required of personnel of the Agency consistent with Utah law. The cost of such bond will be paid by the Agency.

18.3 The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Agency, including accounts of its assets, liabilities, receipts and disbursements, and shall have such other duties as are provided for in this First Amended Agreement or by law.

ARTICLE 19 (Responsibilities of the Agency)

19.1 The Agency shall have the responsibility to:

- (a) Provide coverage as agreed upon and deemed necessary, including a self-protection fund and commercial insurance, as well as excess coverage and umbrella insurance (if available), by negotiation or bid, and purchase, as necessary;
- (b) Assist Members in obtaining insurance coverage for risks not included within the core coverage of the Agency;
- (c) Assist each Member's designated risk manager with the implementation of that function within the Member organization;

- (d) Provide risk management related services to Members as deemed appropriate;
- (e) Provide claims adjusting and subrogation services for claims covered by the Agency's Joint Protection Program;
- (f) Provide loss runs and other loss control information and services as deemed appropriate;
- (g) Provide for the defense of any civil action or proceeding brought against any officer, employee, board member, or other agent of the Agency, in his or her official or individual capacity or both, on account of an act or omission within the scope of his or her agency as an agent of the Agency;
- (h) Act in all other manners deemed necessary and appropriate by the Board of Directors in order to carry out the purpose of this First Amended Agreement.

ARTICLE 20 (Responsibilities of Members)

20.1 Each Member shall have the responsibility to:

- (a) Pay its contribution and any other assessments promptly to the Agency when due. Any delinquent payments shall be paid with interest which shall be equivalent to the prevailing rate of investment interest. Payments will be considered delinquent immediately after the due date;
- (b) Designate in writing an elected or appointed official to serve as a member of the Board of Directors. This designation may be changed from time to time;
- (c) Designate a voting representative and alternate for Member meetings. A Member's voting representative must be an elected official, employee or officer of the Member organization but may be changed from time to time. Each Member shall submit in writing the name of its voting representative and alternate to the Board of Directors;
- (d) Appoint an employee of the Member to be responsible for the risk management function within that Member organization and to serve as a liaison between the Member and the Agency as to risk management;
- (e) Provide the Agency with all information or assistance as may be necessary for the Agency to carry out the Joint Protection Program adopted by the Board of Directors, which includes reporting to the Agency as soon as reasonably possible the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts which will cause material changes in the Member's accidental loss, and providing the Agency periodically, as requested, with information on the value of buildings and contents and other real and personal properties;
- (f) Allow the Agency reasonable access to all facilities of the Member organization and all records relating to the operation of the Agency;

- (g) Report to the Agency as promptly as possible all incidents or occurrences which could reasonably be expected to result in the Agency being required to consider a claim against the Member, its agent, officer, or employees, or for casualty losses to the Member's property within the scope of coverage undertaken by the Agency;
- (h) Allow attorneys or other persons designated by the Agency to represent the Member in the investigation, settlement and litigation of any claim made against the Member within the scope of loss protection furnished by the Agency;
- (i) Cooperate with and assist the Agency, its attorneys, claims adjusters, and insurers, and any other agent, employee, or officer of the Agency in all matters relating to the Agency, and comply with all By-Laws, rules, and regulations adopted by the Board of Directors.

ARTICLE 21 (Effective Date of the Interlocal Agreement)

(Intentionally Omitted)

ARTICLE 22 (Commencement of Operations)

(Intentionally Omitted)

ARTICLE 23 (Membership)

23.1 New Members may be admitted to the Agency upon approval of the Board of Directors and execution of a counterpart of this First Amended Agreement.

23.2 Members entering under this Article will pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their contributions.

23.3 As set forth in Article 11, the Board of Directors establishes the criteria for new Members and has the authority to admit new Members on such terms and conditions as it deems appropriate.

ARTICLE 24 (Withdrawal)

24.1 A Member that enters the Joint Protection Program may not withdraw as a party to this First Amended Agreement and as a member of the Agency for a one-year period beginning on the effective date of membership.

24.2 After the initial one-year noncancelable membership in the program, a Member may withdraw only at the end of any fiscal year, provided it has given the Agency a twelve-month written notice of its intent to withdraw from this First Amended Agreement and the Joint Protection Program.

24.3 Any Member that has formally provided its notice of intent to withdraw its membership in the Agency shall:

- (a) not be able to rescind its withdrawal notice without the approval of the Board of Directors;
- (b) pay or repay the Agency any monies owing to the Agency even though the Member has withdrawn or is withdrawing; and
- (c) not serve as a member of the Executive Committee or any other Agency committees.

ARTICLE 25 (Cancellation)

25.1 The Agency shall have the right to cancel any Member's participation in the Joint Protection Program upon a two-thirds (2/3) vote of the entire Board of Directors giving ninety (90) days written notice to that Member. Any Member so cancelled, on the effective date of the cancellation, shall for the purposes of Article 26, be treated as if it had voluntarily withdrawn.

ARTICLE 26 (Effect of Withdrawal)

26.1 The withdrawal of any Member from this First Amended Agreement shall not terminate this First Amended Agreement.

26.2 The withdrawal of any Member after the effective date of the Joint Protection Program shall not terminate that Member's responsibility to make any contributions or payments owing to the Agency.

ARTICLE 27 (Termination and Distribution)

27.1 This First Amended Agreement may be terminated by the written consent of the Members having two thirds (2/3) of the voting rights of the Association, provided, however, that this First Amended Agreement and the Agency shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to wind up the affairs of the Agency.

27.2 Upon termination of this First Amended Agreement, all assets of the Agency shall be distributed only among the parties that have been Members of the Joint Protection Program, including any of those parties which previously withdrew pursuant to Article 24 of this First Amended Agreement, but not including Members cancelled pursuant to Article 25, in accordance with and proportionate to their contribution payments and property (at market value when received) contributions made to the Agency. The Board of Directors shall determine such distribution within six months after the last pending claim or loss covered by this First Amended Agreement has been finally disposed of.

27.3 The Board of Directors is vested with all powers of the Agency for the purpose of winding up and dissolving the business affairs of the Agency.

ARTICLE 28 (Provision for By-Laws and Manual)

(Intentionally Omitted)

ARTICLE 29 (Notices)

29.1 Notices to Members hereunder shall be sufficient if delivered in writing to the designated representative of the respective Member, at the address provided.

ARTICLE 30 (Amendment)

30.1 Except as described in Section 30.2, this First Amended Agreement may not be amended, changed, modified or altered except by an instrument in writing which shall be:

- (a) submitted, approved, and executed by each Members' governing body and in accordance with Utah Code Ann. §11-13-202(2);
- (b) reviewed and approved by the attorney authorized to represent each Member, in accordance with Utah Code Ann. §11-13-202.5; and
- (c) filed with the person who keeps each Member's records.

30.2 The Board of Directors may amend this First Amended Agreement without following the procedures of Section 30.1 if the proposed amendment is minor, insignificant, or clerical. The Board's decision to amend this Agreement must be unanimous.

ARTICLE 31 (Prohibition Against Assignment)

31.1 No Member may assign any right, claim, or interest it may have under this First Amended Agreement, and no creditor, assignee, or third party beneficiary of any Member shall have any right, claim or title to any part, share, interest, fund, contribution, or asset of the Agency.

ARTICLE 32 (Severability Clause)

32.1 If any article, provision, clause, or other part of this First Amended Agreement is held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of other articles, clauses, applications, or occurrences, and this First Amended Agreement is expressly declared to be severable.

ARTICLE 33 (Agreement Complete)

33.1 This First Amended Agreement, along with the Agency's By-Laws, constitute the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in either this First Amended Agreement or the Agency's By-Laws. This First Amended Agreement may be executed in counterparts, each of which will be deemed an original and all of

which together will constitute one instrument. A signature transmitted by facsimile, e-mail, or other comparable means will be deemed an original.

ARTICLE 34 (Liability and Indemnification)

34.1 The Agency's Board of Directors, officers, and employees shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties.

34.2 The Agency's Board of Directors, officers, and employees shall not be liable for any action made, taken, or omitted, provided the action was made, taken, or omitted in good faith.

34.3 The Agency's Board of Directors, officers, and employees shall not be liable for any action made, taken, or omitted by any other person.

34.4 Agency funds shall be used to defend and indemnify the Agency's Board of Directors, officers, and employees against claims made against them, provided the claims arise out of their operation of, administration of, or involvement with the Agency. The Agency may purchase insurance providing similar coverage for such directors, officers, and employees.

IN WITNESS WHEREOF, the parties hereto have executed this First Amended Agreement by authorized officials thereof on the date indicated on the following pages.

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

SUBJECT: City Manager Report

1. Fraud Risk Assessment

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.



FARMINGTON CITY

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
SHAWN BEUS
SCOTT ISAACSON
AMY SHUMWAY
REBECCA WAYMENT
CITY COUNCIL

SHANE PACE
CITY MANAGER

City Council Staff Report

To: Honorable Mayor and City Council

From: Shannon Harper, City Treasurer

Date: June 15, 2020

SUBJECT: FRAUD RISK ASSESSMENT

RECOMMENDATIONS

1. Review Fraud Risk Assessment

BACKGROUND

Beginning in 2020, the Office of the State Auditor requires that all local government complete a fraud risk assessment internally. After completing the State Auditors fraud risk assessment questionnaire, we have found that we are currently at “very low” risk for fraud.

Respectfully Submitted

Shannon Harper
City Treasurer

Review and Concur

Greg Davis
City Finance Director



**OFFICE OF THE
STATE AUDITOR**

Comment Period: In an effort to make our publications accurate and useful to our intended audience, we invite individuals who work for and with local government entities to read this draft and provide comment. The comment period will last 30 days. Comments should be submitted to Seth Oveson at soveson@utah.gov by **March 13, 2020**.

Auditor Alert 2020-01 DRAFT

Date: February 13, 2020

Subject: Annual Fraud Risk Assessment

Background

The Office of the State Auditor (Office) has developed a Fraud Risk Assessment (Assessment) to help local government board members understand best practices in fraud detection and prevention. The Assessment assigns an overall risk level of undetected fraud based upon points earned for the implementation of the identified best practices.

We emphasize the following:

- The best practices identified in the Assessment are not required, but are highly recommended.
- All of the best practices identified in the Assessment may be implemented at a low or no cost.
 - See the Implementation Guide for resources and suggestions.
- The Assessment is not a replacement or duplication of the internal control assessment performed by an independent auditor as part of a financial statement audit. While they are both risk assessments, their methodologies and purposes are distinct.

Requirements

Beginning in 2020, all local governments will compete the Assessment internally.

- The Assessment must be completed and presented to the governing board before the end of the 2020 fiscal year.
- The Chief Administrative Officer and Chief Financial Officer must certify the results of the Assessment.
- The Assessment must be submitted to the Office within six months after the end of the fiscal year.

Feedback

The Office is accepting feedback on the Assessment as well as this Auditor Alert through March 13, 2020. If revisions are made to the Assessment due to feedback provided during this comment period, the Office anticipates those revisions to be finalized by April 3, 2020.



OFFICE OF THE
STATE AUDITOR

Questionnaire

As of April 2019

Fraud Risk Assessment

INSTRUCTIONS:

- Reference the *Fraud Risk Assessment Implementation Guide* to determine which of the following recommended measures have been implemented.
- Indicate successful implementation by marking "Yes" on each of the questions below.
- Total the points of the questions marked "Yes" and put on the "Total Points Earned" line below.
- Using the points earned, circle the risk level on the "Risk Level" line below.

Total Points Earned: 350 Risk Level: Very Low Low Moderate High Very High
> 344 310-344 280-309 200-279 < 200

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	200	200
2. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	10	10
3. Does the entity have written policies in the following areas:		
a. Conflict of interest?	4	4
b. Procurement?	1	1
c. Ethical behavior?	3	3
d. Reporting fraud and abuse?	4	4
e. Travel?	3	3
f. Credit/Purchasing cards (where applicable)?	2	2
g. Personal use of entity assets?	1	1
h. IT and computer security?	1	1
i. Cash receipting and deposits?	1	1
4. Does the entity have a licensed CPA as part of its management team?	20	20
a. If no, do any members of the management team have a bachelor's degree in accounting?		10
5. Have all of the board members completed the State Auditor online training at least once in the last four years?		5
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	15	15
7. Does the entity have a fraud hotline?	35	35
8. Does the entity have a formal internal audit function?	50	50
9. Does the entity have a formal audit committee?		20

Completed By: Shannon Harper SH Completion Date: 06/23/2020



Basic Separation of Duties

See page 2 of this questionnaire for instructions and definitions.

	Yes	No	MC*	N/A
1. Does the entity have a board chair, clerk, and treasurer who are three separate people?	X			
2. Are all the people who are able to receive cash or check payments different from all of the people who are able to make general ledger entries?			X	
3. Are all the people who are able to collect cash or check payments different from all the people who are able to adjust customer accounts? If no customer accounts, check "N/A".			X	
4. Are all the people who have access to blank checks different from those who are authorized signers?	X			
5. Does someone other than the clerk and treasurer reconcile all bank accounts OR are original bank statements reviewed by a person other than the clerk to detect unauthorized disbursements?	X			
6. Does someone other than the clerk review periodic reports of all general ledger accounts to identify unauthorized payments recorded in those accounts?	X			
7. Are original credit/purchase card statements received directly from the card company by someone other than the card holder? If no credit/purchase cards, check "N/A".	X			
8. Does someone other than the credit/purchase card holder ensure that all card purchases are supported with receipts or other supporting documentation? If no credit/purchase cards, check "N/A".	X			
9. Does someone who is not a subordinate of the credit/purchase card holder review all card purchases for appropriateness (including the chief administrative officer and board members if they have a card)? If no credit/purchase cards, check "N/A".	X			
10. Does the person who authorizes payment for goods or services, who is not the clerk, verify the receipt of goods or services?	X			
11. Does someone authorize payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			
12. Does someone review all payroll payments who is separate from the person who prepares payroll payments? If no W-2 employees, check "N/A".	X			

* MC = Mitigating Control



Basic Separation of Duties

Continued

Instructions: Answer questions 1-12 on the Basic Separation of Duties Questionnaire using the definitions provided below.

- If all of the questions were answered “Yes” or “No” with mitigating controls (“MC”) in place, or “N/A,” the entity has achieved adequate basic separation of duties.
- If any of the questions were answered “No,” and mitigating controls are not in place, the entity has not achieved adequate basic separation of duties.

Definitions:

Board Chair is the elected or appointed chairperson of an entity’s governing body, e.g. Mayor, Commissioner, Councilmember or Trustee. The official title will vary depending on the entity type and form of governments.

Clerk is the bookkeeper for the entity, e.g. Controller, Accountant, Auditor or Finance Director. Though the title for this position may vary, they validate payment requests, ensure compliance with policy and budgetary restrictions, prepare checks, and record all financial transactions.

Chief Administrative Officer (CAO) is the person who directs the day-to-day operations of the entity. The CAO of most cities and towns is the mayor, except where the city has a city manager. The CAO of most local and special districts is the board chair, except where the district has an appointed director. In school districts, the CAO is the superintendent. In counties, the CAO is the commission or council chair, except where there is an elected or appointed manager or executive.

General Ledger is a general term for accounting books. A general ledger contains all financial transactions of an organization and may include sub-ledgers that are more detailed. A general ledger may be electronic or paper based. Financial records such as invoices, purchase orders, or depreciation schedules are not part of the general ledger, but rather support the transaction in the general ledger.

Mitigating Controls are systems or procedures that effectively mitigate a risk in lieu of separation of duties.

Original Bank Statement means a document that has been received directly from the bank. Direct receipt of the document could mean having the statement 1) mailed to an address or PO Box separate from the entity’s place of business, 2) remain in an unopened envelope at the entity offices, or 3) electronically downloaded from the bank website by the intended recipient. The key risk is that a treasurer or clerk who is intending to conceal an unauthorized transaction may be able to physically or electronically alter the statement before the independent reviewer sees it.

Treasurer is the custodian of all cash accounts and is responsible for overseeing the receipt of all payments made to the entity. A treasurer is always an authorized signer of all entity checks and is responsible for ensuring cash balances are adequate to cover all payments issued by the entity.



HOTLINE POLICY

PURPOSE

The Farmington City Hotline provides an avenue for citizens, including public employees and contractors, to report improper governmental activities including:

1. Waste or misuse of public funds, property, or manpower
2. Violations of a law, rule, or regulation applicable to the government
3. Gross mismanagement
4. Abuse of authority
5. Unethical conduct

FILING A COMPLAINT

Complaints should be submitted in writing using the attached form. Complainants should also submit any evidence that supports the complaint. Essential information includes specifics on 'who, what, where, when' as well as any other details that may be important such as information on other witnesses, documents, and pertinent evidence. Due to limited resources, Farmington City is unable to accept complaints that are not supported by evidence or provide a means for us to investigate the problem further. At a minimum, please use the form as a guide to ensure the necessary information is provided. Submit complaints via the following methods:

Email: fraudreporting@farmington.utah.gov

US Mail: Farmington City, Attn: Audit Committee, P.O. Box 160, Farmington, UT 84025

CITY PROCESSING OF A HOTLINE COMPLAINT

1. After receipt of the complaint, the Internal Auditor reviews the allegation and any evidence provided by the complainant. The list below represents some of the factors that are considered during the screening and prioritization process.
 - a. Does the complaint involve actions by a person subject to the City's authority?
 - b. Does the complaint pertain to improper governmental activities? Disagreements with management decisions or actions taken by elected officials that are within the law will not be investigated.
 - c. Has the complainant taken appropriate steps to resolve the issue with the City? If the City is not responsive, the concern relates to top management, or the complainant desires anonymity, consideration will be increased.
 - d. What is the timing and frequency of alleged improper activity? Allegations of improper activities that are recent and/or on-going may receive a higher priority.
 - e. Should the allegation be investigated by another entity? Are there other agencies that have oversight of the complaint? Is a member of the governing body or the audit committee being accused?

- f. Can the complaint be efficiently and effectively investigated? Overly broad or vague complaints or complaints where evidence is unavailable may be declined or receive a low priority.
2. The Internal Auditor communicates to the Audit Committee :
 - a. The allegation of the complaint
 - b. Any facts supporting or refuting the complaint
 - c. A recommendation based upon preliminary inquiry
3. Audit Committee decides the appropriate next action (if a member of the Audit Committee is the subject of the complaint they may not be included in this process):
 - a. Discontinue the investigation
 - b. Continue with the investigation
 - c. Refer the investigation to another agency
4. If the investigation proceeds, the audit committee sets the following:
 - a. Time and resource budget
 - b. Scope of the audit
5. Internal Auditor completes the audit
6. Internal Auditor creates a report outlining the work performed and conclusions
7. Internal Auditor provides the report to the Audit Committee
8. Audit Committee reports investigation results to the whole governing body (if a separate audit committee exists).
9. Governing body addresses any findings noted in the report

WHISTLEBLOWER PROTECTION

Utah Code § 67-21-3 prohibits public employers from taking adverse action against their employees for reporting government waste or violations of law in good faith, to the appropriate authorities. A public entity employee, public body employee, legislative employee, or judicial employee, is presumed to have communicated in good faith if they have given written notice or otherwise formally communicated the conduct to the entity (see *Utah Code* § 67-21-3(1)(b)(iv)(A) for more information).

CONFIDENTIALITY

The identity of the complainant is considered protected information under the Utah Government Records Access and Management Act (GRAMA) and will be kept confidential if requested by the complainant. (See *Utah Code* Section 67-3-1(15)).

Complaints may be submitted anonymously to the Hotline. However, it is preferable that the complainant provide their name and contact information to allow for follow-up questions and reporting the results back to the complainant. Whistleblower protections do not apply to anonymous complaints.



HOTLINE REPORTING FORM

Email completed form to:

fraudreporting@farmington.utah.gov

or Mail to:

Farmington City

Attn: Audit Committee

PO Box 160

Farmington, UT 84025

Complainant Information:

Complainant to remain anonymous? Yes No		
Complainant would like a response? Yes No		
Complainant Name	Check One <input type="checkbox"/> State Employee <input type="checkbox"/> Local Government Employee <input type="checkbox"/> Citizen/Contractor	Date Submitted
Home Address		
Phone/cell/e-mail		

Work Address and information (if applicable)

Information Concerning the Complaint (Please complete one form for each separate complaint)

Each improper action should be noted separately and supported with reliable and sufficient evidence. Supplying detailed information contributes to a thorough and efficient investigation. This form is designed to help you supply the needed information.

Who is the person(s) the complaint is against? (Please provide name, position, agency, division, and phone #)

Who is the above person's supervisor? (Please provide name, position, and phone#)

What is the assertion of improper governmental activity? Please describe in detail.

When did the event(s) take place? Please include dates, time, and frequency.

Where did the event(s) occur?

Are there any other persons who might provide information or who witnessed the event? If so, what are their names, positions, agencies, divisions, and their contact information?

Is there evidence that can be examined or documentation that can be reviewed? (Please provide any documentation you have)

How do you know about the improper action? Did you see it occur? Did you see documentation indicating it occurred? Did you hear about it from someone else?

What specific law or state regulation has been violated?

Please attach to the email or fax supporting documentation, details and ANY and ALL other information available to support the complaints or concerns.



INTERNAL AUDIT CHARTER

PURPOSE

The purpose of the Internal Audit is to provide an independent, objective assurance and consulting activity designed to add value and improve Farmington City's risk management efforts. It helps the City and City Council accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of processes and controls designed to manage risk.

INDEPENDENCE

To help ensure independence and objectivity, the Internal Audit reports to the Audit Committee. If a formal Audit Committee has not been established, the City Council is, by default, the Audit Committee. The Audit Committee appoints the Director of Internal Audit, who controls and supervises the Office of Internal Audit. Administratively, the Internal Audit reports to the City Manager.

AUTHORITY

Internal Auditors are authorized, under the direction of the Director of Internal Audit, to:

1. Have full, free and unrestricted access to the records, property and personnel of all City departments, boards and commissions, in order to conduct internal audits.
2. Have access to all documents and records of organizations receiving funds originating or passed through by the City to ensure that adequate internal controls are in place and operating effectively, regarding the expenditure of those funds relating to the Entity.
3. Have full and free access to the Audit Committee.
4. Obtain the necessary assistance of personnel in departments of the City where they perform audits, as well as other specialized services from within or outside the City.

To maintain an independent status, Internal Auditors are not authorized to:

1. Perform any operational duties for the City or its boards and committees.
2. Initiate or approve accounting policies and procedures or transactions external to the Internal Audit department.
3. Direct activities of any City employees not employed by Internal Audit department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

SCOPE AND RESPONSIBILITIES

THE INTERNAL AUDIT WILL:

1. Develop an annual audit plan using appropriate risk-based methodology and considering risks or concerns identified by management to be submitted to the Audit Committee for approval. The annual audit plan shall include at a minimum, the following information:
 - a. The scope of each proposed audit, including a summary of the nature, records, and time period covered by each audit to be conducted.
 - b. Identification of the department, board, service, program, function, or policy to be audited.
 - c. Each potential audit objective to be addressed.
2. Implement the annual audit plan as approved, including any requested special projects as approved by the Audit Committee.
3. Conduct investigations of alleged or suspected impropriety, fraud, misappropriation, or other misuse of City funds, and seek advice from the City attorney as appropriate and provide required reports to appropriate authorities.
4. Coordinate with external auditors and monitor the implementation of corrective actions recommended by external auditors as appropriate.
5. Submit reports to the Audit Committee indicating audits completed, major findings, corrective actions taken by management, and significant findings which have not been fully addressed by management.
6. Maintain a qualified, competent audit staff having the necessary knowledge, skills and disciplines to perform this function.
7. Request adequate resources necessary to accomplish audit objectives.
8. Coordinate with the State Auditor and external auditors to minimize duplication of efforts and maximize efficient audit coverage.
9. Receive, track, and report hotline complaints to the audit committee.

THE INTERNAL AUDIT MAY:

1. Subject to the approval of the Audit Committee, conduct special reviews and programmatic reviews at the request of the governing board, finance officer, department heads, boards and committees.
2. Subject to the approval of the Audit Committee, provide assistance to departments, boards and committees for evaluation of financial controls and other audit related matters.
3. Amend the annual audit plan, subject to the approval of the Audit Committee.
4. Initiate, conduct, or expand the scope of an audit or investigation if a finding requires expansion of the scope, or if a determination has been made that fraud, abuse, or an unlawful act may have occurred.

CITY COUNCIL AGENDA

For Council Meeting:
June 23, 2020

S U B J E C T: Mayor Talbot & City Council Reports

NOTE: Appointments must be scheduled 14 days prior to Council Meetings; discussion items should be submitted 7 days prior to Council meeting.