

1 Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, February 5,
2 2019 at 5:30 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville,
3 Utah.

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5 **DIRECTORS PRESENT**

Clark Wilkinson, Chair
William Ince
Stephanie Ivie, Vice-Chair
George McEwan
Robyn Mecham

10
11 **DIRECTOR ABSENT**

Tamilyn Fillmore

12
13 **STAFF PRESENT**

Steve Thacker, RDA Executive Director
Jacob Smith, Management Services Director
Lisa Romney, City Attorney
Katie Rust, Recording Secretary

17
18 **VISITORS**

Chad Salmon, Legacy Trails Subdivision Project
Fred Hale, Legacy Trails Subdivision Project
Shawn Johnson, Project Engineer
Nick Smith, Project Manager

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23 **TAX INCREMENT REIMBURSEMENT REQUEST**

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25 The developer of the Legacy Trails Subdivision has requested reimbursement for
26 infrastructure costs from tax increment generated by the project. Normally the RDA Board
27 would approve a tax increment participation agreement before development occurs. In this
28 case, the developer expressed a desire during the approval stage of the project to seek tax
29 increment assistance but did not pursue an Agreement with the RDA Board until after the
30 project was completed. Minutes of RDA Board meetings in 2014 – during approval of the
31 project – indicate a majority of the Board was supportive of sharing the cost of the west portion
32 of the Legacy Trail connection built by the developer. However, the developer did not submit a
33 formal request at that time. After the project was completed, the developer submitted cost
34 information and a request for reimbursement for not only the Legacy Trail connection, but also
35 much of the other public infrastructure built to support the Maverik Store and apartment
36 complex.

37
38 A Committee consisting of the Mayor, Director Ince, City Manager and City Attorney met
39 several times – including a meeting with the developer's representatives – to discuss the
40 request. The Committee recommends the RDA Board approve a reimbursement of \$89,173 for
41 the Legacy Trail connection. The Committee also identified up to \$100,396 of other eligible
42 costs for consideration, but forwards this information to the Board without a recommendation.
43 Chad Salmon, developer, thanked the Committee for the time they spent. He said he felt the
44 original request of \$514,425 was fair based on previous developments in Centerville, but at this
45 time he agrees with the \$89,173 recommended and the \$100,396 forwarded for consideration.

46
47 Director McEwan asked if Director Fillmore's assertion that bonus density was originally
48 granted in lieu of RDA reimbursement was considered by the Committee. Director Ince stated
49 that because of the density bonus granted, the Committee felt the improvement expenses
50 needed to be considered one-by-one. Responding to a question from Director Mecham, Mr.
51 Thacker agreed that some of the road improvements recommended for consideration would
52 have been required for any development to occur. However, he pointed out that the
53 improvements serve a larger area than just the subdivision. He also explained the developer

1 contributed to the initial widening of 1250 West, but had to later remove and replace the curb
2 and gutter and widen the road again as part of the Maverik site plan.

3
4 Director McEwan made a **motion** to approve RDA tax increment reimbursement of the
5 recommended \$89,173, subject to preparation of an agreement to be approved by the RDA for
6 tax increment participation to be paid out over a period of time. Vice-Chair Ivie seconded the
7 motion, which passed by unanimous vote (4-0). Director Ince made a **motion** to approve RDA
8 tax increment reimbursement of \$59,706 for roads and drainage facility costs (curb and gutter),
9 subject to preparation of an agreement to be approved by the RDA for tax increment
10 participation to be paid out over a period of time. Director McEwan seconded the motion.
11 Director McEwan said he believes reimbursement of the road and drainage facility costs is
12 appropriate in the interest of promoting good development in the area and in consideration for
13 what has been done.

14
15 Vice-Chair Ivie said she believes the project could not have occurred the way it did
16 without the improvements, and she does not see the need to reimburse, particularly because it
17 sets an awkward precedent moving forward. Director Ince said he can see the need to clarify
18 provisions to make it clear that tax increment agreements must be done in advance. Vice-Chair
19 Ivie asked the ability of the RDA to pay. She pointed out that the Board would be using funds
20 for development that has already occurred instead of encouraging future development. Mr.
21 Thacker responded that tax revenue generated by the Legacy Trails project will be sufficient to
22 pay these amounts over a number of years and still meet existing obligations.

23
24 Mr. Salmon said he believes the city should have come to them to set up a tax increment
25 agreement at the beginning. Mr. Thacker stated it was understood by staff and the RDA Board
26 at the time that the only purpose tax increment would be given was for the Legacy Trail
27 connection. The **motion** to approve reimbursement of \$59,706 for roads and drainage facility
28 costs passed by unanimous vote (4-0).

29
30 Director Ince made a **motion** to approve RDA tax increment reimbursement of \$40,690
31 for water main improvements, subject to preparation of an agreement to be approved by the
32 RDA for tax increment participation to be paid out over a period of time. The motion failed for
33 lack of second. Nick Smith, Project Manager, said he believed the process was started by
34 discussion with the RDA, and they waited for the RDA to come back to them to continue the
35 agreement process. Mr. Thacker disagreed. Director McEwan said the RDA Board has tried to
36 work with them the best they can considering the circumstances around the situation. Mr.
37 Salmon said he believes the \$40,690 would have been included if an agreement had been done
38 at the beginning, even with the density bonus.

39
40 Director Ince made a **motion** to direct staff to look into a potential amendment to the
41 CDA plan document regarding adding a clause that requires a tax increment participation
42 agreement up front. Director McEwan seconded the motion. Director McEwan asked if it would
43 be possible to build the stipulation into the template for creation of a future CDA or RDA to
44 benefit from the lesson learned. The motion passed by unanimous vote (4-0). Mr. Thacker
45 pointed out that the original plan was approved by all taxing entities and any amendments to the
46 plan will need to take this into account.

ADJOURNMENT

At 6:46 p.m., Director McEwan made a **motion** to continue the RDA meeting after the City Council meeting. Vice-Chair Ivie seconded the motion, which passed by unanimous vote (4-0).

The RDA Board reconvened at 11:15 p.m. However, due to the lateness of the time, Director Ince made a **motion** at 11:16 p.m. to adjourn the RDA meeting. Director McEwan seconded the motion, which passed by unanimous vote (4-0).


Steve Thacker, RDA Executive Director

2/19/19
Date Approved


Katie Rust, Recording Secretary

