REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY WILL HOLD A PUBLIC MEETING AT 9:45 P.M. ON TUESDAY, MARCH 3, 2015 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL CHAMBERS, 250 NORTH MAIN, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the Centerville Redevelopment Agency Board 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.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

Tentative
Time:

9:45 **A. ROLL CALL**

B. NEW BUSINESS

1. Minutes Review and Acceptance
   February 3, 2015 RDA meeting

2. Assignment and Assumption Agreement for Tax Increment Participation Agreement
   Consider Assignment Agreement between the Redevelopment Agency of Centerville City and Salmon HVAC to Pasture LLC

3. Pedestrian Bridge Betterment Issues

4. Items of Interest (i.e., newspaper articles, items not on agenda); Posted in-meeting information

C. ADJOURNMENT

Steve H. Thacker
Executive Director

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 9:50 PM ON MARCH 3, 2015 AT THE CENTERVILLE CITY COMMUNITY CENTER AND CITY HALL COUNCIL CHAMBERS, 250 NORTH MAIN STREET, CENTERVILLE, UTAH. THE AGENDA IS SHOWN BELOW.

Meetings of the City Council of Centerville 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.

Centerville City, in compliance with the Americans With Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance, including hearing devices. Persons requesting these accommodations for City-sponsored public meetings, services, programs, or events should call Blaine Lutz, Centerville Finance Director, at 295-3477, giving at least 24 hours notice prior to the meeting.

A notebook containing supporting materials for the business agenda items is available for public inspection and review at City Hall and will be available for review at the meeting . Upon request, a citizen may obtain (without charge) the City Manager's memo summarizing the agenda business , or may read this memo on the City's website: http://centerville.novusagenda.com/agendapublic .

Tentative Time: - The times shown below are tentative and are subject to change during the meeting.

A. NEW BUSINESS

1. Minutes Review and Acceptance

   February 3, 2015 RDA meeting minutes

2. Assignment and Assumption Agreement for Tax Increment Participation Agreement

   Consider Assignment Agreement between the Redevelopment Agency of Centerville City and Salmon HVAC, to transfer all rights and obligations to Pasture LLC

3. Pedestrian Bridge Betterment Issues

4. Items of Interest (i.e., newspaper articles, items not on agenda); Posted in-meeting information

B. ADJOURNMENT

Steve H. Thacker
Executive Director

CENTERVILLE

Staff Backup Report
3/3/2015

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time:

SUBJECT

February 3, 2015 RDA meeting minutes

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

	Description
D	February 3, 2015 RDA meeting minutes

PRELIMINARY DRAFT

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, February 3, 2015 at 8:40 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

DIRECTORS PRESENT	Paul A. Cutler, Chair Ken S. Averett Tamilyn Fillmore John T. Higginson, Vice Chair Stephanie Ivie
DIRECTOR ABSENT	Lawrence Wright
STAFF PRESENT	Steve Thacker, RDA Executive Director Lisa Romney, City Attorney Katie Rust, Recording Secretary
STAFF ABSENT	Blaine Lutz, Finance Director

PERFORMING ARTS CENTER ALTERATION

Steve Thacker, Executive Director, and Chair Cutler explained the request from CenterPoint Legacy Theatre (CPT) to install a folding glass partition in the west end of the mezzanine of the Performing Arts Center. CPT raised funds in 2014 for the installation, which will allow that area to be temporarily closed off for meetings, receptions, etc., but also be open at other times for general use by patrons.

Vice Chair Higginson made a **motion** to approve the request from CPT to install a folding partition in the mezzanine of the Performing Arts Center, subject to a review of specifications by staff. Director Fillmore seconded the motion, which passed by unanimous vote (5-0).

ADJOURNMENT

At 8:47 p.m. Director Ivie made a **motion** to adjourn the RDA meeting. Vice Chair Higginson seconded the motion, which passed by unanimous vote (5-0).

______________________________ ____________________

Steve Thacker, RDA Executive Director — Date Approved

____

Katie Rust, Recording Secretary

CENTERVILLE
RDA MEETING
Staff Backup Report
3/3/2015

Item No. 2.

Short Title: Assignment and Assumption Agreement for Tax Increment Participation Agreement

Initiated By:

Scheduled Time:

SUBJECT

Consider Assignment Agreement between the Redevelopment Agency of Centerville City and Salmon HVAC, to transfer all rights and obligations to Pasture LLC

RECOMMENDATION

Approve Assignment Agreement between the Redevelopment Agency of Centerville City and Salmon HVAC, transferring all rights and obligations to Pasture LLC.

BACKGROUND

The RDA previously entered into a Tax Increment Participation Agreement with Salmon HVAC relating to the Pasture Project located at approximately 605 North 1250 West, Centerville. Representatives of Salmon HVAC have requested to change the name of the party to the Tax Increment Agreement from Salmon HVAC to Pasture LLC. Section 5 of the Tax Increment Agreement provides that the agreement may not be assigned without the expressed prior written consent of the RDA. The attached Assignment and Assumption Agreement has been prepared for this purpose assigning all rights and obligations in the Tax Increment Agreement from Salmon HVAC to Pasture LLC. Staff recommends approval of the Assignment and Assumption Agreement.

ATTACHMENTS:

Description

D Assignment Agreement-Pasture LLC

ASSIGNMENT AND ASSUMPTION AGREEMENT FOR TAX INCREMENT PARTICIPATION AGREEMENT BETWEEN REDEVELOPMENT AGENCY OF CENTERVILLE CITY AND SALMON HVAC

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment Agreement") is made and entered into as of the ______ day of ______________, 2015, by and between **SALMON HVAC,** a Utah limited liability company ("Assignor"), **PASTURE, LLC,** a Utah limited liability company ("Assignee"), and **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a redevelopment agency created under Utah law ("Agency"). The Agency, Assignee and Assignor may collectively be referred to herein as the "Parties", or individually, as a "Party".

RECITALS:

WHEREAS, the Agency and Assignor previously entered into that certain Tax Increment Participation Agreement, dated March 4, 2014 ("Participation Agreement"), regarding tax increment participation relating to the creation and development of the Pasture Project located at approximately 605 North 1250 West, Centerville, Utah ("Pasture Project"); and

WHEREAS, Assignor has created Pasture LLC, a new limited liability company in accordance with Utah law, and desires to transfer and assign all rights and obligations under the Participation Agreement to Pasture, LLC; and

WHEREAS, pursuant to Section 5 of the Participation Agreement, the Agreement may not be assigned by Assignor without the express prior written approval of the Agency; and

WHEREAS, the Parties desire to enter into this Assignment Agreement in order to effect an assignment by Assignor and acceptance and assumption by Assignee of all of the terms and conditions of the Participation Agreement as they pertain to the Pasture Project.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. <u>Assignment and Assumption</u>. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Participation Agreement as it pertains to the Pasture Project, together with Assignor's rights, powers and privileges thereunder existing from and after the date Assignee acquires fee title ownership to the Pasture Project ("Effective Date of Assignment"). Assignee hereby accepts the same and assumes the rights and responsibilities of the Participation Agreement as it pertains to the Pasture Project and agrees to timely perform each and every obligation to be performed under the Participation Agreement as it pertains to the Pasture Project from and after the Effective Date of Assignment.

2. **Successors and Assigns.** This Assignment shall bind the Parties, their personal representatives, successors and assigns. Any assignment of the rights and duties of Assignee as assigned herein shall be subject to and comply with the terms of the Participation Agreement, including, but not limited to Section 5 regarding future successors and assigns.

3. **Attorneys' Fees.** Should any Party commence a legal proceeding to enforce any of the terms or provisions of this Assignment Agreement, the prevailing Party in such proceeding shall recover reasonable attorneys' fees and costs from the defaulting Party, as fixed by the court in such proceeding.

4. **Effective Date.** The provisions of this Assignment Agreement shall become effective immediately upon proper execution by the Parties. The assignment and assumption provided herein shall become effective on the Effective Date of Assignment as defined in Section 1.

5. **Miscellaneous.** Nothing herein shall be deemed to create the relationship of principal and agent, partnership or joint venture between the Parties. This Assignment Agreement shall be interpreted and construed only by the content hereof, and there shall be no presumption or standard of construction in favor of or against any Party. This Assignment Agreement may be amended or modified only in writing. The invalidity or unenforceability of any provision of this Assignment Agreement, as determined by a court, shall in no way affect the validity or enforceability of any of the remaining provisions hereof. This Assignment Agreement shall be construed according to and governed by the laws of the State of Utah.

[Signature page to follow]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

"Assignor"

SALMON HVAC

By:______________________________________
Its:______________________________________

"Agency"

ATTEST:

CENTERVILLE CITY REDEVELOPMENT AGENCY

Agency Recorder/Secretary

Paul A. Cutler, Agency Board Chair

"Assignee"

PASTURE, LLC

By:______________________________________
Its:______________________________________

ASSIGNOR ACKNOWLEDGMENT

STATE OF ______________)
: **ss.**
COUNTY OF _____________)

On the ____ day of ________________, 2015, personally appeared before me ____________________________, who being by me duly sworn did say that (s)he is the managing member of **SALMON HVAC, LLC,** a Utah limited liability company, and that the foregoing instrument was signed on behalf of said limited liability company by authority of its Articles of Organization and such signator duly acknowledged to me that said limited liability company executed the same.

____
Notary Public

My Commission Expires: Residing at:

_____________________________ ___________________________________

AGENCY ACKNOWLEDGMENT

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

On the _____ day of __________________, 2015, personally appeared before me Paul A. Cutler, who being duly sworn, did say that he is the Chair of **CENTERVILLE CITY REDEVELOPMENT AGENCY**, a municipal corporation of the State of Utah, and that the foregoing instrument was signed in behalf of the Agency by authority of its governing body and said Paul A. Cutler acknowledged to me that the Agency executed the same.

____
Notary Public

My Commission Expires: Residing at:

_____________________________ ___________________________________

ASSIGNEE ACKNOWLEDGMENT

STATE OF ____________)
: ss.
COUNTY OF ____________)

On the ____ day of ________________, 2015, personally appeared before me ______________________________, who being by me duly sworn did say that (s)he is the managing member of **PASTURE, LLC,** a Utah limited liability company, and that the foregoing instrument was signed on behalf of said limited liability company by authority of its Articles of Organization and such signator duly acknowledged to me that said limited liability company executed the same.

____
Notary Public

My Commission Expires:

____

Residing at:

____

CENTERVILLE
RDA MEETING
Staff Backup Report
3/3/2015

Item No. 3.

Short Title: Pedestrian Bridge Betterment Issues

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

The City Manager will report on unresolved issues pertaining to the pedestrian bridge to be built as a part of the I-15 South Davis Project--including betterments requested by the City.

CENTERVILLE
RDA MEETING
Staff Backup Report
3/3/2015

Item No. 4.

Short Title: Items of Interest (i.e., newspaper articles, items not on agenda); Posted in-meeting information

Initiated By: Blaine Lutz

Scheduled Time:

SUBJECT

RECOMMENDATION

BACKGROUND

Attached are 2 documents related to RDA tax increment. The first is an analysis by LYRB of the impact of several RDA project areas in Davis County, including the Parrish Lane Gateway and Legacy Crossing. This analysis looks at how RDA areas accelerate development and most contribute immediate tax benefit to all taxing entities and provide substantial benefit in the long run. This comparison demonstrates the success of the Parrish Gateway Project and particularly the Legacy Crossing Project. The Legacy Crossing Project is the youngest of all the compared project areas, is only partially built out, and yet has provided more increased revenue to all entities than other project areas in the County in dollars and as a percentage. The LYRB analysis is based on the 2012 tax year. The other attachment is the projected impact for the Legacy Crossing project for tax year 2013 (which was shared with the Board at an earlier meeting). This projection, taken from the Davis County Recorder's estimates, shows the amount of taxes passed on to the taxing entities will increase to $525,627. This is a $295,329 increase over the Base year taxes of $230,298, or a 128% increase. The Legacy Crossing project is a very good example of the impact the RDA can have for the City and all the tax base.

ATTACHMENTS:

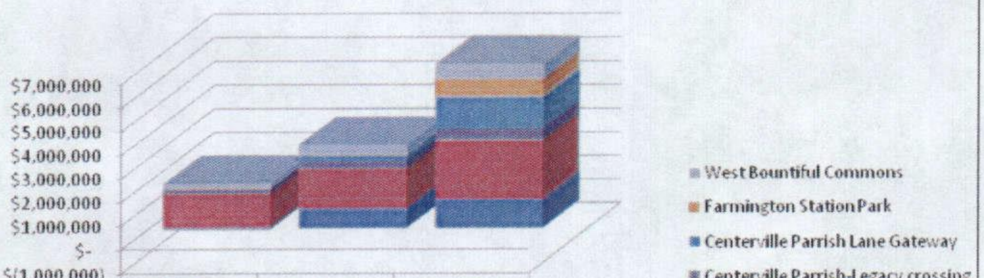
Description

- LYRB RDA Analysis
- 2014 (FY 2015) Legacy Crossing projected

ECONOMIC VALUE CREATION OF REDEVELOPMENT PROJECT AREAS TO DAVIS COUNTY TAXING ENTITIES *(County, School District, Cities, and Special Districts)*

The Taxing Entities in Davis County have historically participated in many economic development project areas. The graph below provides a snapshot of results for a sampling of those project areas. The data is based off actual values from tax year (TY) 2012 representing the base taxes which are passed through to the taxing entities, the additional revenues received and passed through due to economic growth, and a projection of total taxes to be received annually by the taxing entities once the project area finishes (even assuming no additional economic growth in the area).

Analysis of Redevelopment Project Area Participation (TY 2012 Data)



	Base Taxes	Base and Passthrough Revenues Received	Annual Total After Project Finishes
West Bountiful Commons	$209,378	$420,953	$632,528
Farmington Station Park	$37,894	$37,894	[illegible]
Centerville Parrish Lane Gateway	$(56,833)	$214,135	[illegible]
Centerville Parrish-Legacy crossing	$194,331	$348,393	$485,911
North Salt Lake Eaglewood Village	$3,013	$9,142	$20,452
Clearfield ATK EDA	$1,446,995	$1,714,477	$2,516,922
Clearfield EDA #1	$1,259	$796,007	$1,194,645

$0, 0%

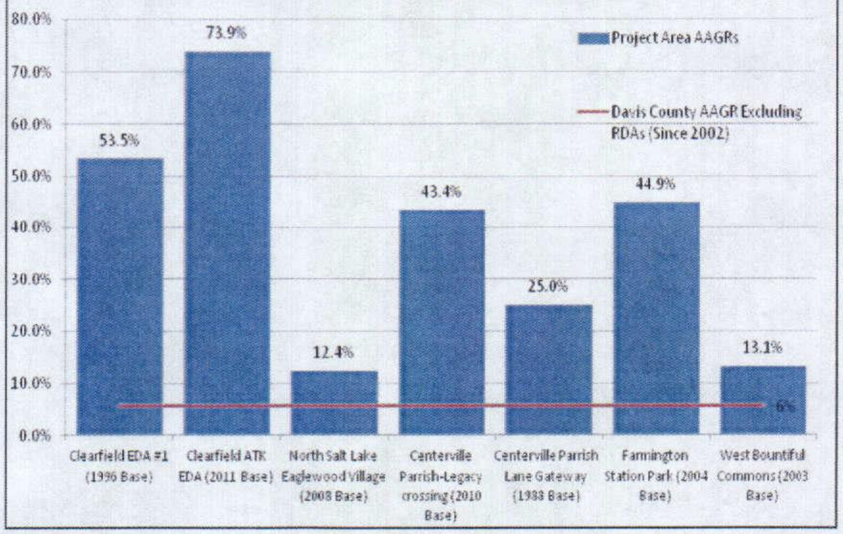
$270.968. 100%+

$154,062. 80%

Findings:

- Taxing Entities receive almost **double the tax revenue** in project areas as they would have otherwise received from the base value *(even while the projects are active)*.
- Overall, tax generation is more than **triple the base value** after participation in the project area is completed.
- Average annual growth rate (AAGR) in assessed value for project areas is **38%**, as opposed to 6% AAGR over 10 years in the rest of Davis County. This is nearly **7 times the growth**, which is substantial, especially considering project area sites have impediments which would have hindered growth and caused lower than average AAGR if not for RDA participation.

Comparison of Average Annual Growth Rates (AAGRs)



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41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
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Davis County Economic Development

Guiding Policy

Davis County Economic Development will work diligently and closely with local communities to develop and build business opportunities. We will assist in site development, recruiting and expansion initiatives as we strive to increase family sustaining employment while increasing the tax base. We target those new and developing businesses that create new, high-paying jobs that improve the standard of living and diversity of the local Davis County economy.

Incentives will be explored to help in project development given the project qualifies when considering the financial strength and stability of the project, the number of jobs created, wages paid, amount of new tax revenue created, and long-term capital investment utilized. Other factors including industry sector type and fit within the County.

Davis County recognizes the State of Utah incentive criteria measurements and echoes support for companies that would qualify for State Incentives that meet the specific measurements while assuring a positive 'return on investment' to residents.

Each development opportunity should have a measurable positive Return on Investment (ROI) when comparing the anticipated project costs to the associated project benefits.

The Guiding Policy: *Each taxing entity is to decide on their own to determine if the project is of benefit to them to justify diverting public tax money to help fill a financial funding gap. The purpose of the tax increment is to fill the funding gap of the project and is not for the benefit of the developer. The key objective is to make sure that each taxing entity has conducted the appropriate analysis from a cost benefit point of view to show the need for the incentive and that the project will benefit them from the increased wages, sales taxes, property taxes and or types of revenue that may benefit the individual taxing entities goals and objectives. We are suggesting that if there is a need it should be justified before an incentive is given.*

Ideal qualifying criteria is where the project is primarily job and wage driven. Given that we don't live in an ideal world, Community Development Area (CDA) project requests will occur where the projects are more focused upon retail or housing and less on building family sustaining employment and yet have value to enhance the area.

As Projects will occur that are less than ideal, Davis County Community and Economic Development Office suggests the use of a this guiding policy approach to be considered when looking at projects that are of a mixed use (with retail, entertainment, residential, professional, and industrial). This guiding policy would be used as a *guide* to help determine the percentage range of participation in various projects.

As projects may not fit into the guiding policy exactly, there is room for flexibility as may be needed. However based upon the complicated allocation formulas used to allocate tax increment, it is suggested that we make a concerted effort to agree among the taxing districts to imply the same percentages for any given project and for the same amount of years. This unified approach will ease the burden of complicated allocation formulas that are used with applying the tax increment.

While the guiding policy attempts to quantitatively place emphasis on the value of projects, there will always be qualitative concerns that must be considered when proposed projects are being reviewed. For example some of the issues will be;

- Is the project a desirable project for the area
- Does the project bring substantial improvement to the land use
- Does the project help to recapture sales taxes for Davis County
- Does the project have definite community benefit that would enhance the community, improve transportation, and contribute to the prosperity of residents
- Will the project prepare and lead us to further economic development opportunities for more job growth or expansion to the tax base

---

Mixed use projects may focus upon job creation, retail and housing but the County's over all intent is for job creation where family sustaining jobs are being created in the process of the CDA or may lead to further development into job growth.

Guiding Policy*

(Based upon square footages noted in the CDA plan and budget)

<u>Job Creation with Retail Components (Square Footages)</u>

Job Creation	**<u>More than</u>** 80%	**<u>Less Than</u>** 50%
Retail (and/or)	Less than 20%	Greater than 50%
Housing		
	Up To:	***Up To:***
Years to Participate	20 Years	15 Years
Percentage of Participation	75%	50%

<u>Job Creation with Retail and Housing Components(Square Footages)</u>

Job Creation	**<u>More than</u>** 80%	**<u>Less Than</u>** 50%
Retail (and/or)	Less than 10%	Greater than 25%
Housing (and/or)	Less Than 10%	Greater than 25%
	Up To:	***Up To:***
Years to Participate	20 Years	15 Years
Percentage of Participation	75%	40%

Job Creation with Housing Components (Square Footages)

	More than	Less Than
Job Creation	80%	50%
Retail (and/or)	Less than 10%	Greater than 10%
Housing (and/or)	Less than 10%	Greater than 40%
	Up To:	***Up To:***
Years to Participate	20 Years	10 Years
Percentage of Participation	75%	30%

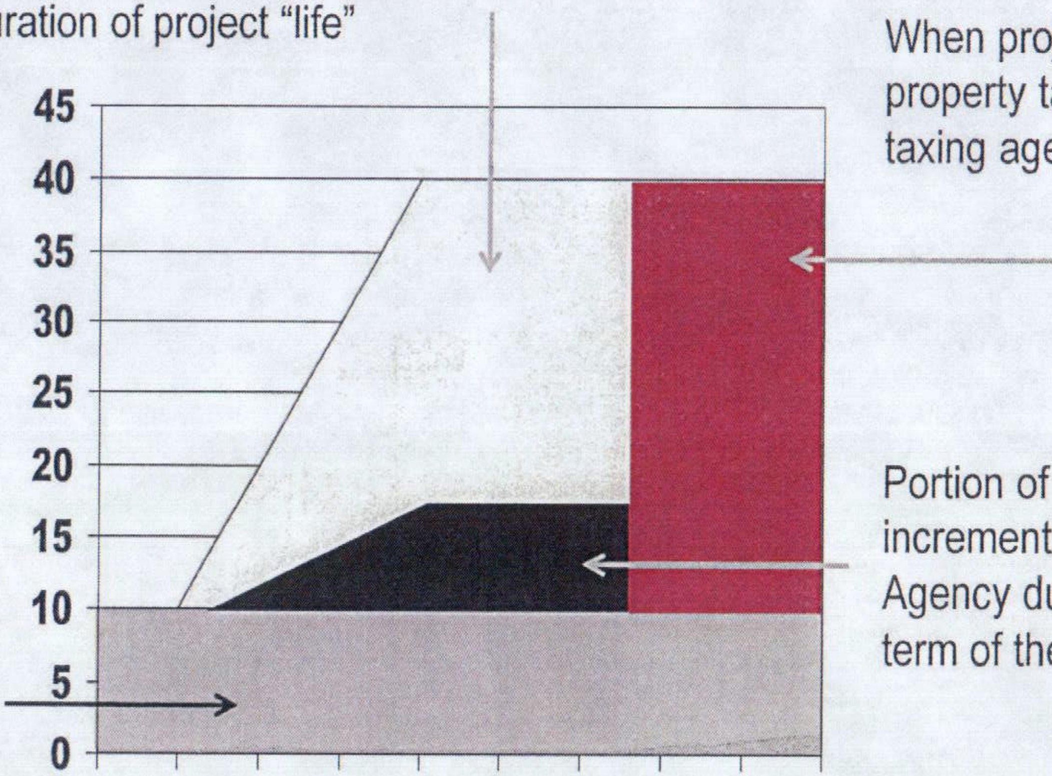
**All uses have value and are relevant to economic development; however while the attempt to quantitatively place emphasis on the value of the project there must be qualitative issues that must be considered in the review process. They may override in some causes.*

DAVIS COUNTY COMMUNITY AND ECONOMIC DEVELOPMENT
28 EAST STATE STREET – PO BOX NUMBER 618
FARMINGTON, UTAH 84025
Telephone: 801-451-3278

Tax Increment

Portion of Increment flows to Redevelopment Agency for investment in project area duration of project "life"

When project ends, all property taxes flow to taxing agencies



Portion of increment flows to Agency during the term of the project

Base Year taxes continue to flow to all taxing agencies

Use of Tax Increment

- Investment in project
  - Infrastructure improvements
  - Public improvements
  - Land write-downs
  - Environmental remediation
  - Elimination of blight
  - Demolition of structures
  - Job creation
  - Loans and grants
  - Planning and design
  - Other incentives
  - Fairly wide use
- Investment in affordable housing
- Administrative expenses

Base year value - 2010	$ 17,300,027
2013 value	$ 49,788,737

Entity	Tax Rate	2010 Base year Taxes	2013 Taxes	Incremental Taxes	RDA Increment	New Taxes to Entities	Total Taxes to Entities
Centerville	0.001141	$ 19,739	$ 56,809	$ 37,070	$ 18,535	$ 18,535	$ 38,274
Davis County	0.001935	$ 33,476	$ 96,341	$ 62,866	$ 18,860	$ 44,006	$ 77,482
Davis Jail	0.000126	$ 2,180	$ 6,273	$ 4,094	$ 1,228	$ 2,866	$ 5,045
Davis School	0.007175	$ 124,128	$ 357,234	$ 233,106	$ 69,932	$ 163,175	$ 287,302
State School	0.001535	$ 26,556	$ 76,426	$ 49,870	$ 14,961	$ 34,909	$ 61,465
South Davis Sewer	0.000324	$ 5,605	$ 16,132	$ 10,526	$ 3,158	$ 7,368	$ 12,974
Library	0.000389	$ 6,730	$ 19,368	$ 12,638	$ 3,791	$ 8,847	$ 15,576
South Davis Recreation	0.000374	$ 6,470	$ 18,621	$ 12,151	$ 3,645	$ 8,506	$ 14,976
Mosquito Abatement	0.000103	$ 1,782	$ 5,128	$ 3,346	$ 1,004	$ 2,342	$ 4,124
Weber Basin	0.00021	$ 3,633	$ 10,456	$ 6,823	$ 2,047	$ 4,776	$ 8,409
		$ 230,298	**$ 662,788**	**$ 432,490**	**$ 137,161**	**$ 295,329**	**$ 525,627**
							228%