

1 Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, March 4, 2014
2 at 10:18 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville,
3 Utah.

4
5 **DIRECTORS PRESENT**

Paul A. Cutler, Chair
Ken S. Averett
Tamilyn Fillmore
John T. Higginson, Vice Chair
Stephanie Ivie
Lawrence Wright

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12 **STAFF PRESENT**

Steve Thacker, RDA Executive Director
Blaine Lutz, Finance Director
Lisa Romney, City Attorney
Katie Rust, Recording Secretary

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17 **VISITORS**

Luke Salmon, Salmon Pasture Development
Jason Burningham, Lewis Young Robertson & Burningham
Kent Sulser, Davis County Community and Economic
Development Director

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22 **MINUTES REVIEW AND ACCEPTANCE**

23
24 The minutes of the February 18, 2014 RDA meeting were reviewed. Director Fillmore
25 requested an addition. Director Wright made a **motion** to accept the minutes as amended. The
26 motion was seconded by Director Ivie and passed by unanimous vote (6-0).

27
28 **TAX INCREMENT PARTICIPATION AGREEMENT RELATING TO THE SALMON**
29 **PASTURE DEVELOPMENT WITHIN THE BARNARD CREEK CDA**

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31 As directed at the February 18th RDA meeting, staff and Lewis Young Robertson &
32 Burningham (LYRB) have drafted a Participation Agreement between the Centerville City RDA
33 and Salmon HVAC. The Agreement is based on the analysis by LYRB outlined in the January
34 27th memo, and staff recommendations as discussed at the February 18th meeting. Blaine Lutz,
35 Finance Director, stated that staff is supportive of the Participation Agreement. Chair Cutler
36 stated it is his impression that the RDA is generally supportive, but some directors have
37 reservations regarding the level of participation. Director Fillmore stated she is supportive of
38 CDAs in general, but said the level of reimbursement for private infrastructure in this situation
39 seems beyond what has been given in the past. She asked if a comparable level of tax
40 increment participation has been used in the past in Centerville. She also expressed
41 reservations for the project being considered a "seed" project. Director Fillmore stated she
42 believes there is plenty of potential for development in the area whether or not this particular
43 development moves forward. She does not understand the pressure to move quickly. Director
44 Fillmore stated she agrees with the County's desire to promote job creation, but feels it could be
45 beneficial to wait. Mr. Lutz cautioned that a year has been spent working on this project, and to
46 back down now would send a negative message to other business and property owners. He
47 believes the wait for development would be long if that were to happen.

48
49 Jason Burningham with LYRB responded to the question regarding the level of
50 reimbursement for private improvements, stating that much of the improvements are essentially
51 public infrastructure that happen to be on private land. The level of tax increment participation
52 with the Legacy Crossing CDA was 12.32%, with \$1.9 million for private infrastructure. The tax
53 increment participation for the recent MTC project within the Parrish Gateway CDA was 7%,
54 with 100% of the tax increment related to private on-site investment. Development of public

1 infrastructure is not the only reason to use tax increment. Tax increment is often used because
2 a gap exists between what the market would allow the financing to look like and what the
3 property owners/tenants would be willing to pay. Mr. Burningham stated that the analysis done
4 by LYRB on the Salmon Pasture Development found that without the tax increment participation
5 there is no incentive to develop. Mr. Burningham stated it is easy to decide to wait and see
6 what happens, but reminded the Directors that the CDA was created to keep business in
7 Centerville. He is aware of a potential tenant for the development that is also looking
8 elsewhere. Mr. Burningham said LYRB views the Salmon Pasture Development as an
9 incubation site that will prompt further development. He stated that Davis County has a good
10 housing mix and plenty of retail, but 45% of residents in Davis County leave the County for
11 employment. Davis County is motivated to promote job creation. Director Fillmore commented
12 that the "seed" projects in the other developments Mr. Burningham mentioned paid for the bulk
13 of the public infrastructure upfront. With the Salmon project it seems to her that the bulk of the
14 public infrastructure would not occur upfront. Mr. Burningham explained situations specific to
15 the Legacy Crossing project and the MTC project that helped to minimize the risk involved with
16 the expense of public infrastructure.

17
18 Kent Sulser, Davis County Community and Economic Development Director, said he has
19 met with several business owners in Centerville to know what their needs are. He stated he
20 feels the Salmon development could be a gateway to more development. He added that a
21 smithy strikes when the iron is hot, and it would be wise to move forward with the businesses
22 that are ready to expand at this time. Growth within CDAs seems to expand seven times faster
23 than typical expansion because of infrastructure. Mr. Sulser continued that the Legislature has
24 given cities the CDA tool, and each CDA is different because the needs are different. The
25 Salmon Pasture Development is unique, but not unusual.

26
27 Vice Chair Higginson stated he would like to act on the Agreement. Director Averett said
28 he feels it is a generous offering, but tax increment participation is a tool used frequently to spur
29 development. Director Averett stated he feels Centerville will receive the added benefit of sales
30 tax and employees wanting to live close. He views the participation as a loan that the City will
31 eventually get back. Director Wright commented that the tax increment is linked to performance
32 in the Agreement, which he feels is a good thing.

33
34 Vice Chair Higginson made a **motion** to approve the Participation Agreement between
35 the Centerville Redevelopment Agency and the Salmon HVAC for the Pasture Commercial
36 Development. Director Averett seconded the motion, which passed by majority vote (5-1), with
37 Director Fillmore dissenting. Director Fillmore clarified that she does not want to appear
38 unfriendly to business or disrespectful of the time spent on the project with her vote. Her
39 reservations are specific to this situation.

40 41 **MAIN & PARRISH INTERSECTION PROJECT**

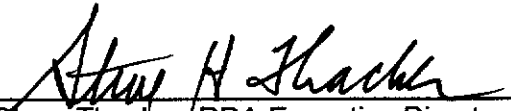
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43 During the Council meeting held earlier in the evening, the Council discussed possible
44 improvements that could make the Main and Parrish intersection project more palatable to the
45 community. Chair Cutler stated he feels anything that can be done to improve the intersection
46 project is worth serious consideration. Blaine Lutz, Finance Director, explained the RDA has
47 approximately \$400,000 in cash reserves. Mr. Thacker stated that tax increment received in
48 future years is expected to continue to exceed tax increment needed for current commitments
49 and projected needs.

50
51 Chair Cutler made a **motion** for staff to prepare a resolution to include colored curb and
52 gutter, colored flat work, and powder coating of the signal poles, with any related improvements,

1 in the UDOT bid, not to exceed \$25,000. Director Fillmore seconded the motion, which passed
2 by unanimous vote (6-0).
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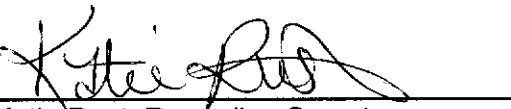
4 **ADJOURNMENT**

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6 At 11:05 p.m. Vice Chair Higginson made a **motion** to adjourn the RDA meeting.
7 Director Ivie seconded the motion, which passed by unanimous vote (5-0).
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13 Steve Thacker, RDA Executive Director

3-19-14

Date Approved

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18 Katie Rust, Recording Secretary
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