REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE CITY COUNCIL WILL HOLD ITS REDEVELOPMENT AGENCY OF CENTERVILLE MEETING AT 8:30 PM ON APRIL 16, 2019 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 Jacob Smith, Centerville Management Services Director, at 801-295-3477, giving at least 24 hours notice prior to the meeting.

The full packet of backup materials can be found at 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. Appoint New Executive Director
2. Target Remodel - RDA Consent

   Review proposed remodel for Target located at 200 North Marketplace Drive within the Parrish Gateway Neighborhood Project Area
3. Chick-Fil-A Canopy - RDA Consent

   Review proposed canopy for Chick-Fil-A located at 540 North 800 West within the Parrish Gateway Neighborhood Project Area
4. Approve Minutes

   Approve the Minutes of the March 19, 2019 RDA/ACB meeting. Once approved by the RDA, the minutes will be sent to the ACB for their approval.

B. ADJOURNMENT

CENTERVILLE

Staff Backup Report
4/16/2019

Item No. 1.

Short Title: Appoint New Executive Director

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Appoint Brant Hanson, City Manager, as Executive Director of the Redevelopment Agency.

BACKGROUND

Per the RDA by-laws (see attached) "The Executive Director shall be appointed by the Chairman, with the advice and consent of the Board of Directors of the Agency."

ATTACHMENTS:

	Description
🗋	Redevelopment Agency Bylaws 2-7-1989

BYLAWS OF THE

REDEVELOPMENT AGENCY OF

CENTERVILLE CITY

February, 1989

CONTENTS

BYLAWS OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY

ARTICLE I - THE AGENCY

Section 1. Name of Agency. The name of the Agency shall be the "Redevelopment Agency of Centerville City" accordance with an ordinance adopted by the City Counc of the City of Centerville, Utah, dated FEBRUARY 7 1989.

Ord
89-2
2-7 89

Section 2. Purpose of the Agency. The purpose the Agency is to provide residents of the City Centerville a redevelopment plan of action that would revitalize and upgrade certain areas with quality developments which are conducive to the long range goals of the City.

Section 3. Governing Board. The governing board of the Agency shall be known as the Board of Directors of the Redevelopment Agency of Centerville City. The Board of Directors shall be composed of six members, one of whom shall be the mayor and the remaining five shall be members of the City Council. Each member shall have one vote, except the Chairman, who shall not vote except in case of a tie vote.

Section 4. Seal of Agency. The Agency shall have an official seal which the board of Directors shall approve as to form and style.

Section 5. Office of Agency. The offices of the Agency shall be at such place in the City of Centerville, Utah, as the Agency may designate.

ARTICLE II - OFFICERS

Section 1. Officers. The officers of the Agency shall be a Chairman and a Vice-Chairman. The Chairman shall be the Mayor of the City of Centerville and the Vice-Chairman shall be a City Council member.

Section 2. Election. The Chairman and Vice-Chairman shall be elected by members of the Board of Directors at the organizational meeting, and thereafter, shall be elected at the Annual Meeting. The Chairman and Vice-Chairman shall hold office for one year each, or until their successors are elected and begin their full term of office.

Section 3. Chairman. The Chairman shall preside at all meetings of the Agency. These meetings shall consist of the following: the organizational meeting, the annual meetings, the regular monthly meetings, and special or emergency meetings. At each such meeting, the Chairman may submit such recommendations and information as they may consider proper concerning the business, affairs, and policies of the Agency.

Section 4. Vice-Chairman. The Vice-Chairman of the Agency shall perform the duties of the Chairman in the absence or incapacity of the Chairman; and in case the resignation or death of the Chairman, the Vice-Chairman shall perform such duties as are imposed on the Chairman until such time as the Board of Directors shall elect a new Chairman.

Section 5. Board Members. At the meetings of the Agency, any Board Member may submit such recommendations and information as they may consider proper concerning the business, affairs, and policies of the Agency.

Section 6. Additional Duties. The officers of the Agency shall perform such other duties and functions as may from time to time be required by the Agency, the bylaws, or rules and regulations of the Agency.

Section 7. Vacancies. Should the offices of Chairman and Vice-Chairman become vacant, the Agency shall elect a successor from among the members of the Board of Directors of the Agency, at the next Regular Meeting, and such election shall be for the unexpired term of said office.

Section 8. Executive Director. The Executive Director shall be appointed by the Chairman, with the advise and consent of the Board of Directors of the Agency, and shall serve at the pleasure of the Board of Directors. The Executive Director shall, under the direction of the Chairman, direct the affairs of the Agency and shall ensure the proper care and custody of all funds of the Agency and shall ensure proper disbursement of and deposit of same in the name of the Agency in or from such bank or banks as the Agency may select. The Executive Director shall prepare and sign all contracts, deeds, resolutions, orders, checks and other instruments made by the Agency, and all such documents shall be countersigned by the Chairman. The Executive Director shall ensure the proper keeping of regular books of accounts showing receipts and expenditures and shall render to the Agency, at each regular meeting, or more often when requested, an account of the transactions and the financial condition of the Agency. The Executive Director shall give such bond for the faithful performance of the duties of the Executive Director as the Agency may determine. The compensation of the Executive Director shall be determined by the Chairman, subject to approval of the Board of Directors. The Executive Director shall keep the records of the Agency, shall act as the secretary of the meetings of the Agency and record all votes, and shall keep a record of the proceedings of the Agency and shall keep the seal of the Agency and shall have the power to affix such seal to all documents authorized to be executed by the Agency.

ARTICLE III - EMPLOYEES

Section 1. Employees of the Agency. The Executive Director may, from time to time, employ such additional personnel as may be necessary to exercise the powers, duties and functions of the Redevelopment Agency of Centerville City as prescribed by the laws of the State of Utah, after approval of the Board of Directors of the Agency. The selection and compensation of such personnel shall be determined by the Executive Director, subject to the policies established by the Board of Directors of the Agency.

ARTICLE IV - MEETINGS

Section 1. Organizational Meeting. The organizational meeting of the Agency shall be held on such day as determined by the Board of Directors of the Agency. The Board will elect from its members a Chairman and Vice-Chairman who will act as the officers of the Agency.

Section 2. Annual Meeting. The annual meeting of the Agency shall be held on the 3rd Tuesday of January, at a time and place set by the Chairman. In the event such date shall fall on a legal holiday, the annual meeting shall be held on the next succeeding business day.

Section 3. Regular Meeting. The regular meeting of the Agency shall be held at least monthly, usually on the 3rd Tuesday of the month. Official notice will be given of the time and place of the meeting as designated by the Chairman.

Section 4. Special Meetings. The Chairman of the Board may, when the Chairman deems it expedient, or shall, upon written request of two members of the Board, or shall, upon the request of the Executive Director, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting shall be delivered to each member of the Board and the Chairman at the business and home of each, at least one day prior to the date of such special meeting. At such special meeting, no business shall be considered other than as designated in the call.

Section 5. Quorum. The powers of the Agency shall be vested in the Board of Directors of the Agency. Three members shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes. Action may be taken by the Board of Directors upon a vote of the majority of the Board.

Section 6. Order of Business. At the regular meetings of the Agency, the following shall be the order of business:

1. Roll Call
2. Approval of Minutes
3. Report of the Chairman and/or the Executive Director
4. Unfinished Business
5. New Business
6. Adjournment

Section 7. The Official Book of Resolutions. All resolutions shall be in writing and designated by number, reference to which shall be inscribed in the minutes and an approved copy of the approved resolution should be filed in the Official Book of Resolutions of the Agency.

ARTICLE V - AMENDMENTS OF THE BYLAWS

Section 1. Amendments of the Agency Bylaws. The bylaws of the Redevelopment Agency of Centerville City shall be amended only with the approval of at least four members of the Board of Directors of the Agency at a regular or special meeting. No such amendment shall be adopted unless at least seven days' written notice thereof has been previously given to all members of the Board of Directors. Such notice shall identify the section or sections of the bylaws proposed to be amended.

Dean Argyle

Chairman of the Board of Directors

David A. Hiles

Executive Director

CENTERVILLE
RDA MEETING
Staff Backup Report
4/16/2019

Item No. 2.

Short Title: Target Remodel - RDA Consent

Initiated By: Bryce Christensen, Target Corporation

Scheduled Time:

SUBJECT

Review proposed remodel for Target located at 200 North Marketplace Drive within the Parrish Gateway Neighborhood Project Area

RECOMMENDATION

Consent to proposed remodel for Target located at 200 North Marketplace Drive within the Parrish Gateway Neighborhood Project Area

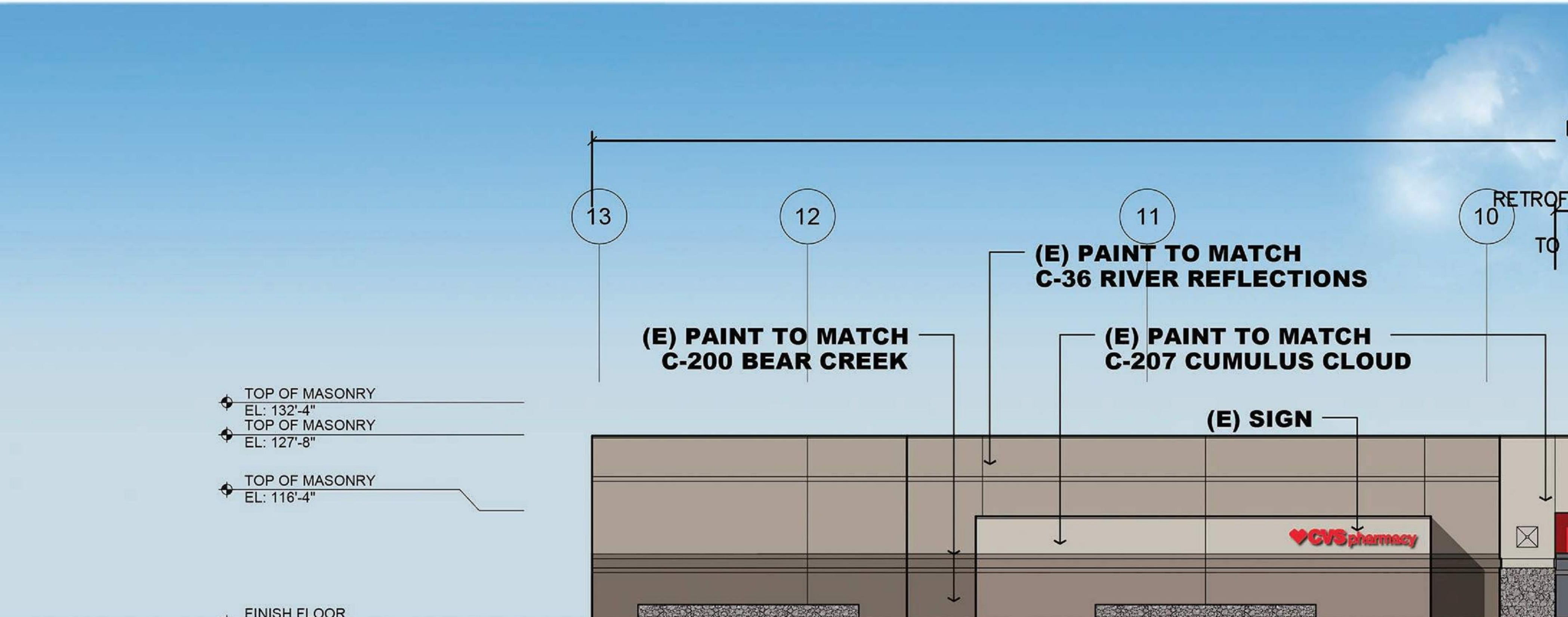
BACKGROUND

In 1994, the City and RDA accepted the final development plan for the Target located at 200 North Marketplace Drive within the Parrish Gateway Neighborhood Project Area. Target Corporation desires to remodel the Target and are requesting acceptance of the exterior building plans by the RDA. While the proposed amendments do not require site plan amendment under the Zoning Code, the RDA consent is required because the Target is located within the Parrish Gateway Neighborhood Project Area. Under the governing documents for the property, any development within the Project Area is required to obtain RDA consent regarding architectural features and plan compliance. By the terms of the governing documents, such approval shall not be unreasonably withheld. Staff recommends the RDA provide consent for the proposed Target remodel regarding exterior architectural features and colors.

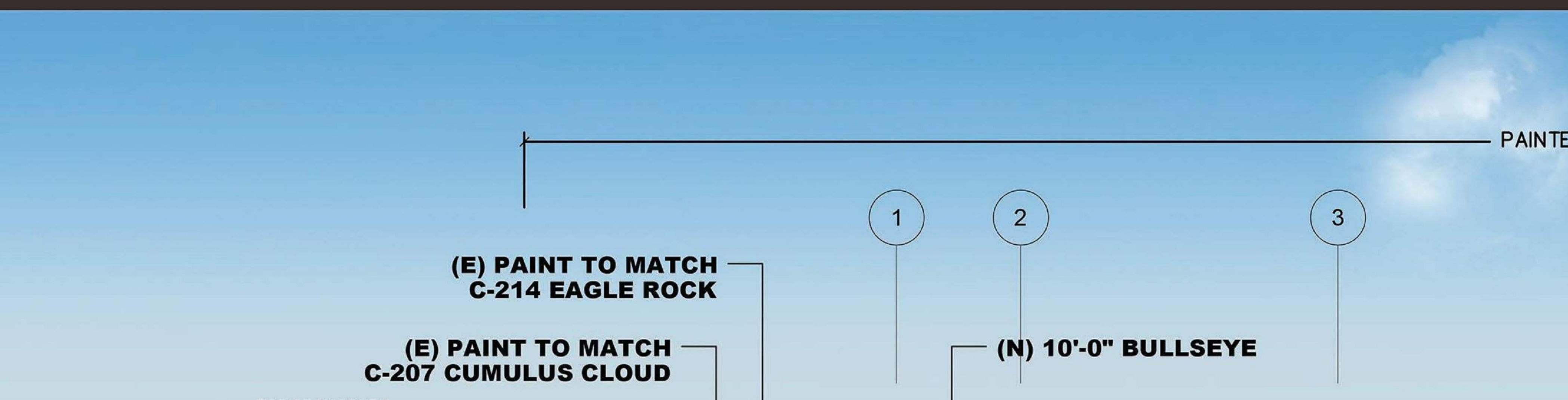
ATTACHMENTS:

Description

- Target Remodel - Materials and Colors



West Elevation



CENTERVILLE
RDA MEETING
Staff Backup Report
4/16/2019

Item No. 3.

Short Title: Chick-Fil-A Canopy - RDA Consent

Initiated By: Chris Turpen, Chick-Fil-A

Scheduled Time:

SUBJECT

Review proposed canopy for Chick-Fil-A located at 540 North 800 West within the Parrish Gateway Neighborhood Project Area

RECOMMENDATION

Consent to proposed canopy for Chick-Fil-A located at 540 North 800 West within the Parrish Gateway Neighborhood Project Area.

BACKGROUND

In 2013, the City and RDA accepted the final development plan for the development of the Chick-Fil-A located at 540 North 800 West . The owners of the Chick-Fil-A desire to add a canopy to the site for the drive-thru and are requesting acceptance of the proposed plans by the RDA. The RDA consent is required for this site plan amendment because the Chick-Fil-A is located on Lot 202 of the Centerville Corporate Park Subdivision and within the Parrish Gateway Neighborhood Project Area. Under the governing documents for the property, any development of property within the Project Area is required to obtain RDA consent regarding architectural features and plan compliance. By the terms of the governing documents, such approval shall not be unreasonably withheld. The proposed amendments to the Chick-Fil-A are considered minor amendments to the final site plan and have been conditionally approved by the Zoning Administrator, subject to consent by the RDA. The Zoning Administrator approval of the canopy for the Chick-Fil-A is attached. Staff recommends the RDA provide consent for the proposed canopy and site amendments.

ATTACHMENTS:

Description

- Zoning Administrator Approval - Chick-Fil-A
- Chick-FIl-A - Site Plan Amendments
- Chick-Fil-A - Architectural Details
- Non-Site Specific Canopy Design Sample

CHICK-FIL-A
SITE PLAN AMENDMENT TO ADD CANOPY
540 N 800 W

To: Zoning Administrator **Decision: APPROVAL W/ CONDITIONS**

From: Corvin M. Snyder, AICP **Approval Date: April 9th, 2019**

Signature:

REQUEST: **CANOPY OVER DRIVE THRU LANE**

APPLICANT: **CHRIS TURPEN**
1743 MCNAIR DR STE 200

PROPERTY OWNER: M TROY TRIPP
5200 BUFINGTON ROAD
ATLANTA GA 30349

BACKGROUND

The applicant wishes to add a canopy attached to their building over the drive thru aisle of their site. The canopy, which will have both fans and heating units installed, is for the protection of their employees during severe weather, since Utah gets both extreme heat and intense snowstorms. The purpose of this canopy will protect their employees, streamlining the process, and hopefully improve the traffic going through this highly popular drive thru lane during rush hour traffic.

Site Plan Amendment 12-21-110(h)(1)

According to the Centerville City Zoning Ordinance, the Zoning Administrator may approve a Site Plan Amendment if it meets seven criteria. This report will review the criteria with the final decision being the discretion of the Zoning Administrator.

Site Plan Amendment Standards - (*Zoning Administrators Review*)

1. **Does the amendment relate to a matter specifically required as a condition of approval?**

- **Staff Response:** A Final Site Plan and a Conditional Use Permit were approved by the Planning Commission on May 22, 2013. [See list of conditions provided in backup material]. No conditions were directly related to a drive through lane or would be related to the addition of a canopy.
- Condition #8 of the Final Site Plan approval states that the site plan must comply with the Parrish Lane Design Guidelines. As a part of these guidelines, materials are expected to be compatible with the surrounding development [CZC 12.63.040]. The

pillars on the drive thru canopy have a proposed pre-engineered stone veneer to match the existing building and also surrounding development.

2. **Is the proposed change consistent with what is permitted on the site?**

    - **Staff Response:** The modification is not changing the use on site and will be consistent with what is already permitted at this location, including the minimum required parking stalls of CZC 12.52, which is 46 stalls for this particular fast-food restaurant use. It is not altering the traffic flow or circulation of the site, or changing the use in any way.

3. **Were the existing uses permitted when the site plan was approved, or has received a conditional use permit?**

    - **Staff Response:** The Chick Fil A (under " fast food" use) had received a Conditional Use Permit along with a Final Site Plan approval at the Planning Commission in May of 2013. No conditions of approval for the CUP would be affected by the addition of a canopy,

4. **Will the proposed use and site conform to applicable requirements to the Centerville City Code?**

    - **Staff Response:** With proposed canopy, there will be a removal of three trees that were along the northern edge of the building. Centerville City Code requires a certain amount of trees and landscaping requirements. According to the submitted plan, after the three trees are to be removed, it would leave eight trees on their site, when 12 are required. According to CZC 12.51.070, these trees can be substituted for shrubs at a ratio of 10:1, but no more than 25% of the required trees may be substituted. So this Chick fil A site must have at least 9 trees on the property. Therefore, after the removal of three trees for the canopy, **at least one tree must be replaced** somewhere on the property, which preference to placement in the interior parking lot.
    - The proposed amendment also complies with the Parrish Lane Design Guidelines, CZC 12.63, as stated previously.

5. **Does the proposed alteration or expansion meet the approval standards of the Final Site Plan Application process [Zoning Ordinace12-21-110(e)]?**

    - **Staff Response:** With the noted elements mentioned earlier, it appears the amended site plan does meet the applicable standards of the final site plan review and Zoning Administrator approval.

6. **Is the architecture, landscaping, site design and parking compatible with facilities existing on the site?**

   - **Staff response:** As stated previously, once the three trees are removed in the canopy installation, at least one tree needs to be replaced somewhere on the site, with preference to an interior parking lot placement.
   - The columns of the canopy will be compatible with the existing building. The roof of the canopy will be matte black.
   - Parking or overall site layout will not be affected with this amendment.

7. **Can the site accommodate changes in the number of employees or any change in impact on surrounding infrastructure?**

   - **Staff response:** Staff believes the changes are compliant.

Administrative Review Recommendation

In reviewing the site plans, with minor conditions imposed, it appears the proposed amendment would be eligible to be reviewed and approved by the Zoning Administrator. This report recommends that the Zoning Administrator approve the amended site plan for Chick-Fil-A, subject to the following conditions:

Conditions of Approval

1. The amended site plan shall be for the addition of a canopy over thru drive thru lane as submitted in the proposed plans February 25, 2019.
2. The applicant shall obtain a Building Permit through the City for this addition.
3. The canopy addition shall comply with the Parrish Lane Design Guidelines by having the stone veneer as indicted on their site plan details.
4. Existing approved on-site landscaping is approximately 19%. Any change in landscaping shall not drop the overall on-site landscaping below the 15% requirement of CZC 12.51. 070(d).
   a. Since three trees are being removed with the canopy installation, a minimum of **one** tree must be replaced, to meet a minimum of **nine** trees on the property.
   b. The installation of this tree shall be verified during Final Inspection.
5. The site plan amendment shall comply with all governing documents for the Centerville Corporate Park Subdivision, development agreements, and RDA, as reviewed by the City Attorney.

Suggested Reasons for the Action (Findings):

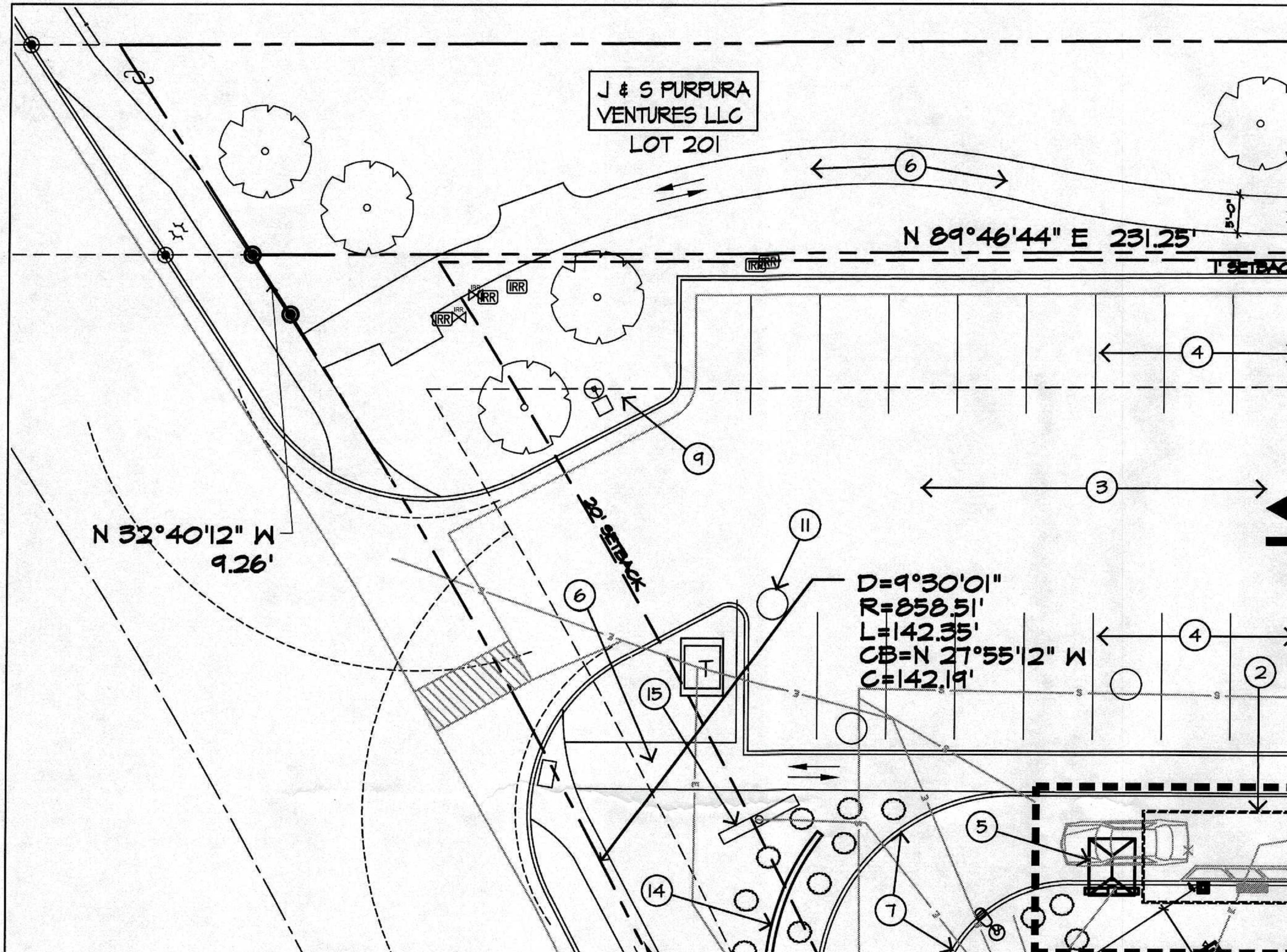
1. The Amended Site Plan meets all the criteria for the Zoning Administrator to approve an amended site plan [CZC 12.21.110. h.1], as described above.
2. The listed "conditions of approval" ensure compliance with applicable Centerville City Codes and prior related approvals.

Conditions from Staff Report, Final Site Plan May 22, 2013:

1. A bond shall be posted for all on-site and off-site improvements prior to receiving a building permit.
2. A building permit shall be submitted prior to any construction taking place.
3. Indicate a differing material for the dumpster enclosure at the time of building permit submittal.
4. Applicant shall seek a text change to the Zoning Ordinance for the purpose of a freeway-oriented sign, prior to the construction of a pole sign. If the request is not approved, the applicant shall resubmit a final amended site plan to City Staff with the notation of the pole sign being removed.
5. A lighting plan shall be submitted with the building permit, indicating the style of lighting on the building and within the parking lot and landscaped area.
6. The applicant shall review the exact location and style for all Parrish Lane pedestrian lighting with the Public Works Director.
7. Any and all development on Lot 202 shall comply with and be subject to all Governing Documents for the Centerville Corporate Park Subdivision, as amended, and all conditions of lot split approval for the subdivision, including, but not limited to, the Parrish Lane Gateway Neighborhood Development Plan, the Grant of Easements and Restrictions for the Centerville Corporate Park Subdivision, the Development Agreement, the Agreement and Option Agreement for Private Development, the Conditional Use Permit for Planned Center, as such documents have been or may be amended from time to time ("Governing Documents").
8. Any and all development on Lot 202 shall comply with applicable City Ordinances, including, but not limited to the Parrish Lane Gateway Design Standards.
9. The Assignment and Assumption Agreement for the Centerville Corporate Park Subdivision Governing Documents dated February 13, 2013, by and between Centerville City, the Redevelopment Agency of Centerville City, Dayton West, LLC, and Chick-Fil-A, Inc. shall be recorded against the property prior to the issuance of any building permits for Lot 202. Applicant shall provide evidence of such recording to the City Recorder.
10. Applicant shall obtain acceptance of the final development plan for development of the Chick-Fil-A on Lot 202 by the RDA and City Council under the Governing Documents prior to the issuance of any building permits for Lot 202.

Conditions from Staff Report, Conditional Use Permit, May 22, 2013:

1. The site located at 540 North 800 West shall be approved for Chick-Fil-A, a fast-food restaurant with a drive-through.
2. A traffic plan shall be created and reviewed by the Centerville Police Department and the MTC to coordinate the grand opening and high volume peak times. This shall be accomplished prior to receiving final occupancy.
3. The applicant shall follow the approved final site plan dated April 3, 2013.
4. All necessary bonding must be posted prior to construction.
5. The applicant shall receive a building permit prior to construction.
6. All sign approvals and permits shall be issued prior to the construction of any on-site construction.
7. Any and all development on the Chick-fil-A site shall comply with and be subject to all Governing Documents for the Centerville Corporate Park Subdivision, as amended, and all conditions of lot split approval for the subdivision.



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VENTURES LLC
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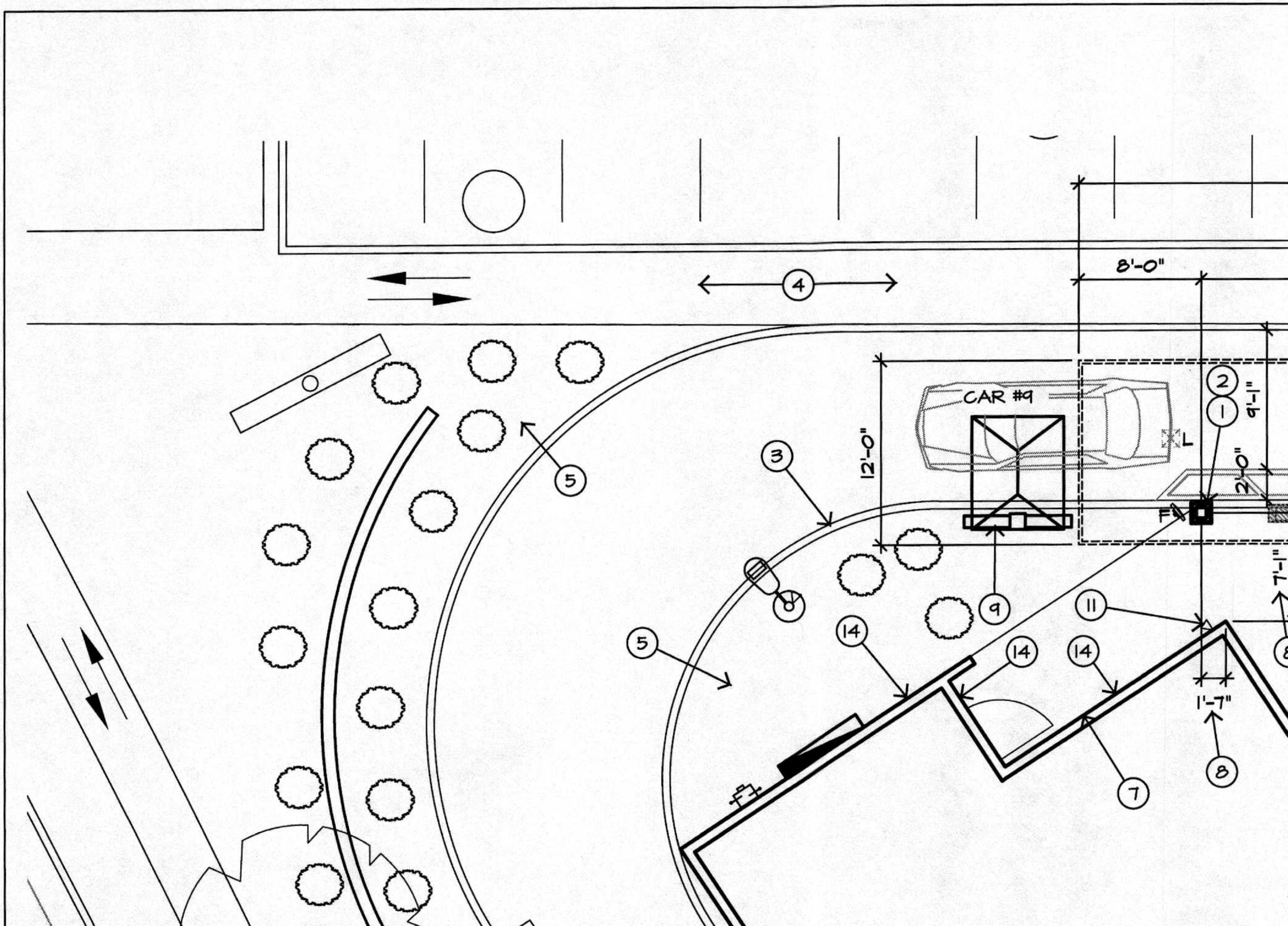

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MATERIAL SAMPLES

CANOPY DECK - UNDERSIDE FACE

COMPANY: LANE SUPPLY, INC.
COLOR: LANE HIGH GLOSS WHITE

CANOPY ROOF

COMPANY: LANE SUPPLY, IN
COLOR: JET MATTE BLAC

CANOPY APPLIANCES

CENTERVILLE

Staff Backup Report
4/16/2019

Item No. 4.

Short Title: Approve Minutes

Initiated By:

Scheduled Time:

SUBJECT

Approve the Minutes of the March 19, 2019 RDA/ACB meeting. Once approved by the RDA, the minutes will be sent to the ACB for their approval.

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

	Description
🗋	3-19-19 RDA/ACB Minutes

Minutes of the **Redevelopment Agency Board** of Centerville City/Davis Center for the Performing Arts **Administrative Control Board** meeting held Wednesday, March 19, 2019. The meeting was called to order at 9:12 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Clark Wilkinson, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
Tamilyn Fillmore, RDA of Centerville City, ACB Board Member
William Ince, RDA of Centerville City, ACB Board Member
Stephanie Ivie, RDA of Centerville City, ACB Board Member
George McEwan, RDA of Centerville City
Robyn Mecham, RDA of Centerville City
Jason Burningham, CenterPoint Legacy Theatre Board Chair
Jansen Davis, CenterPoint Legacy Theatre Executive Director

STAFF PRESENT

Steve Thacker, RDA Executive Director
Lisa Romney, Centerville City Attorney
Jacob Smith, Management Services Director
Jamie Brooks, Recording Secretary

VISITORS

Brant T. Hanson
Interested Citizens

Chair Wilkinson pointed out that there was a quorum present for both the Redevelopment Agency and the Administrative Control bodies.

REVIEW AND APPROVE MINUTES

The minutes of the March 5, 2019 Redevelopment Agency meeting were reviewed. Board member McEwan **moved** to approve the minutes as presented. Board member Mecham seconded the motion which passed unanimously (5-0).

APPROVE AMENDMENTS TO LEASE AGREEMENT WITH CENTERPOINT THEATRE FOR USE OF PERFORMING ARTS CENTER

Lisa Romney reminded the Board that the proposed lease agreement amendments had been reviewed in detail at a previous meeting. Direction given by the Board at that time was to:

1) Provide increased flexibility on the annual spend requirements for preventative maintenance

Ms. Romney had added a new proposed sentence to the end of section 32 of the agreement, clarifying that the Association would spend roughly 0.5% of replacement value in their annual budget.

2) Consider increasing the Minimum Annual Contribution for the Maintenance Reserve Fund from 1% to 2% of Annual Revenues (or more) to ensure the Maintenance Reserve Fund was adequately funded each year

The Committee had recommended leaving the agreement with a 1% minimum but would leave the ultimate decision to the Board. Ms. Romney wished to provide the theatre representatives the opportunity to respond, since it would impact their budget.

3) Make sure CenterPoint had sufficient insurance coverage and any required insurance riders to use flames or pyrotechnics as part of a performance

Ms. Romney had asked the CenterPoint representatives to respond to that comment.

Ms. Romney reviewed each of the amendments to the agreement. She was available for any question the Board had, as representatives of CenterPoint Theatre.

Jansen Davis, Executive Director at CenterPoint Theatre wished to address the minimum amount set aside for the Maintenance Reserve Fund. Their goal had been to get the fund to an acceptable minimum. He expressed concern about increasing the minimum to 2%, resulting in a continual flow of money to an account that already had reached a reasonable level of funding.

Regarding the theatre's insurance coverage, Mr. Davis explained that he had been in contact with their insurance agent. The challenge was that the term "pyrotechnics" referred to everything from a small percussion (which the theatre would be using) to indoor fireworks which it would ***not*** use. They were waiting for their insurance company to make a final determination regarding the specific type of device in question.

Board Member Fillmore requested clarification regarding an increase in the Minimum Annual Contribution to the Maintenance Reserve Fund. She recalled that there had been goal amounts that would not be reached if the minimum remained at 1%.

Mr. Davis responded that two different numbers were being addressed. It was unlikely that reserve funds would ever be used all at once. A reasonable required amount had been identified, and if there wasn't a certain level in the Maintenance Reserve Fund, net income would go towards filling that need. But what happened when the maintenance goals were reached? Why should they continue to pay into the fund at that point?

Board member Fillmore responded that she was thrilled with the process regarding the proposed lease agreement amendments. She also agreed with the suggestion that the Board step back a level in the budget process. But she would be more comfortable letting go of those reins if they could have a more in-depth discussion and possibly increase the minimum level for that fund. For example, if the roof suddenly needed to be replaced, the entire fund would be spent at once. Mr. Davis pointed out that roof repair would come out of a different fund and Ms. Romney explained that the Maintenance Reserve Fund was for the Association to handle unexpected required maintenance not included in their annual budget. However, the RDA's Theatre Reserve Fund was completely separate and was used for some specific financial responsibilities it had regarding the Performing Arts Center (i.e. roofing, boilers and chillers).

The 1% minimum in the Maintenance Reserve Fund was a roughly $20,000 annual mandatory contribution. 0.5% of replacement value under current numbers was about $75,000. So, the question was how did we get from the mandatory $20,000 to the $75,000 target. Once that target was reached, the Theatre could begin funding other things.

Jason Burningham, Theatre Board Chair, stated that his question was relative to the total target balance which the current draft suggested was an amount equal to 2.5% of replacement value. The Committee felt that was an appropriate target for keeping funds available for unforeseen maintenance issues that were not covered by the RDA's Theatre Reserve Fund. He indicated that 2.5% of replacement value was approximately $375,000.

Board member Fillmore asked the other RDA board members to weigh in regarding whether they were comfortable moving forward with the proposed amendments or whether they wanted to explore increasing the Minimum Annual Contribution. Board member Ince felt that CenterPoint had shown a willingness to do what needed to be done in order to maintain and improve the facility. He was comfortable leaving the minimum at 1%. Board member Mecham felt comfortable moving forward with Mr. Davis and Mr. Burningham in their current roles, but expressed concern about what would happen down the road if/when they were no longer part of the theatre's leadership team. Mr. Burningham pointed out that the building was still relatively young but that maintenance costs would only increase as the facility aged. 1% would likely be insufficient five years down the road.

Ms. Romney wished to make clear that the industry standard was to save 0.5% of replacement value every year. The Committee had attempted to recognize that might not be realistic given budgetary constraints. Board member Fillmore indicated that was the reason for her concern.

Mr. Davis felt the theatre had shown each year that they had been putting funds into reserve accounts and had done a good job of ensuring the theatre had appropriate funds available when needed. He felt that 1% was sufficient. Board member Fillmore felt the data they had seen suggested it should be more. Mr. Davis responded that there were two different numbers at play. There was the replacement percentage and also the percentage against income. The two figures were not technically mutually exclusive. They had attempted to look at revenues, at what came in at the end of the year, and at certain percentages in order to get to where they needed to be.

Board member McEwan indicated that an increase was a matter of protection against unforeseen circumstances. Mr. Burningham explained that there were essentially three "reserve" funds. The first was for preventative maintenance which was clearly the theater's responsibility. Imagine that line item was funded at roughly $200,000 per year. The second reserve fund was the Theatre Reserve Fund which was paid for through rent of a bit less than $80,000 annually. The third fund was the 1% Minimum Annual Contribution of $20,000. If the goal was to be at 1.5% of the annual replacement value in all three funds, that was $225,000. They were already paying well over that amount into the three funds, with only a 1% Minimum Annual Contribution. He felt that to contribute 2% would be "over" funding what was necessary. Mr. Thacker questioned whether $200,000 was a realistic figure for the preventative maintenance fund. Mr. Burningham got the sense that the RDA Board thought the ACB was not adequately funding the reserves, when he and the Committee felt otherwise.

Ms. Romney pointed out that the Committee had not necessarily agreed that the reserves were adequately funded under the current lease agreement. Instead, she felt the committee's position had been that after reviewing all of the maintenance obligations, rather than have variable rent go to the RDA, the RDA was adequately funded for its obligations under the lease. The committee wished to encourage more funding of the maintenance reserve fund. CenterPoint committed to spending at least $75,000 in its annual operating budget. She was not sure that the committee had analyzed whether or not the theatre was spending more.

Mr. Burningham felt the ACB could find a way to make a Minimum Annual Contribution of $40,000, although it was already putting more than $200,000 toward maintenance each year. Ms. Romney did not have that understanding after the committee meetings. She felt the RDA could be somewhat flexible if the ACB could show that it had allocated more to preventative maintenance in a year than the minimum requirement.

Mr. Burningham's pointed out that the proposed lease agreement was drafted to show that CentrePoint would need to contribute 2% annually in perpetuity—even if they surpassed the annual target of $375,000. Ms. Romney stated that the idea was to ensure the theatre hit the 0.5% of replacement value every year. Mr. Burningham felt the disconnect was in the fact that some of what was typically in the lease for preventative maintenance and what CenterPoint was doing was actually what the Maintenance Reserve Fund already took care of. They questioned the need for addition funding since they felt they were already surpassing the goal.

Board member Fillmore repeated her concern that there appeared to be two different industry standards that were confusing the issue. Ms. Romney felt it was a matter of determining how to allocate the 1.5% annually. She thought the committee had agreed to keep it simple with 0.5%, understanding that the goal was to get to 1.5% annually. She was satisfied if CenterPoint was meeting that goal.

Board member McEwan said that if everyone was in agreement that 1.5% was available in the three funds, that was sufficient. Mr. Davis felt that as a committee, they had all gotten on the same page but were having a difficult time understanding the difference between a 1% and 2% minimum contribution. Board member McEwan asked Mr. Davis what changes he wished to see in Section 23 of the proposed lease agreement. Mr. Davis indicated he saw no reason for a change. Board member Fillmore indicated she was the one who had questioned the verbiage because she had not understood that the theatre was already meeting the 1.5% annual contribution.

Mr. Thacker asked Ms. Romney to confirm some details regarding the proposed changes to the agreement. She responded that $20,000 was the minimum but to make sure they hit the 0.5%, they had to put the $20,000 into the fund first. Ms. Romney and Mr. Davis were both comfortable with the way the agreement was currently drafted. Board member Ivie expressed appreciation to Mr. Davis but also concern about the verbiage, if someone else were to become Executive Director. Board member Ince asked who was satisfied with the agreement as currently drafted and a majority indicated they were comfortable with the language as currently drafted.

Board member Ince **moved** to approve the amended Lease Agreement with CenterPoint Theatre, pending confirmation that the pyrotechnic insurance provisions were clarified by the insurance carrier, and subject to the specified changes in Sections 19 and 32 as outlined by the City Attorney. Board member McEwan seconded the motion which passed (5-0).

Mr. Burningham expressed appreciation to the RDA Board and Staff.

APPROVE TAX INCREMENT PARTICIPATION AGREEMENT WITH DEVELOPER OF LEGACY TRAILS APARTMENTS PROJECT

Ms. Romney stated that the goal of the participation agreement was to incentivize construction on the vacant lots within this project. The agreement provided tax increment for a total of $148,879.00 over 10 years. If the developer built on the lots in question, the payments would accelerate from 25%-50% tax increment.

Chad Salmon requested clarification regarding the number of tax increment years left in the project area. Mr. Thacker responded that it was 10 years, including the current year and a payment could be expected in April. Mr. Salmon wished for verification by Davis County. Mr. Thacker indicated he would be happy to confirm that with Davis County.

Mr. Salmon wished to ensure he understood correctly. If he were to construct two buildings in the next year, there would be an increase in the tax increment? Ms. Romney confirmed that it increased upon completion of construction. So, on the other lots they received 25% of the tax increment brought in for the project. But once certificates of occupancy were issued for the buildings on the two currently vacant lots, the next tax increment payment issued would include increased value, and 50% would be paid.

Board member Ince **moved** to approve the Participation Agreement with the developer of the Legacy Trails Apartments Project based on the confirmation with Davis County that there were ten years left including the current fiscal year. Board member Ivie seconded the motion which passed unanimously (5-0).

CONSIDER THE POSSIBILITY OF EXTENDING THE PERIOD FOR RECEIVING "ADDITIONAL TAX INCREMENT" TO OFFSET IMPROVEMENT COST OF FREEDOM HILLS PARK

This item was not discussed. Mr. Thacker indicated he could brief Staff on the issue and the RDA would be informed in the future.

REPORT REGARDING A HOTEL DEVELOPER'S REQUEST FOR A TAX INCREMENT INCENTIVE

Mayor Wilkinson explained that he and various staff members had recently met with a hotel developer regarding the possibility of a tax increment incentive for a proposed hotel on property near the northwest corner of Parrish Lane and 1250 West. The developer had been told that the RDA Board would need to be consulted to determine the level of support for such an agreement. Financial reports would then need to be provided to the Board and perhaps they would be evaluated by Mr. Burningham who was still present.

Mr. Burningham stepped back to the lectern and explained that typically the RDA would request the same detailed financial pro forma provided to the hotel's lender. This information would include anticipated room rates, their projected occupancy, and what the mixture of product was anticipated to be. Additionally, he would expect to see loan vs. value, the amount of equity going into that, etc. He would then look at the cash flow based on industry standards and determine whether the market feasibility presented was valid. If they determined it was valid, a gap would typically be seen between what the bank was willing to lend and what the equity needed to be. That was where tax increment payments would come into play.

Mr. Thacker encouraged the RDA Board to approach the potential project as Mr. Burningham had suggested. It was a great opportunity to increase development.

CONTINUE DISCUSSION OF USES OF FUTURE TAX INCREMENT REVENUE FROM PROJECT AREAS

This item was not discussed but would be addressed at a later date.

ADJOURNMENT

Board member McEwan **moved** to adjourn at 10:21 p.m. Board member Ince seconded the motion which passed unanimously (5-0).

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Brant T. Hanson, RDA Executive Director Date Approved

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Jamie Brooks, Recording Secretary