# 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 MAY 16, 2017 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 City Assistant to the City Manager, at 801-295-3477, 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
   May 2, 2017 RDA meeting minutes
2. Public Hearing - Proposed RDA FY 2018 Budget
   a. Continue public hearing
   b. Adopt FY 2018 RDA Tentative Budget and set date for public hearing prior to adoption of Final Budget

**B. ADJOURNMENT**

Steve H. Thacker
Executive Director

## B. ADJOURNMENT

Steve H. Thacker
Executive Director

**CENTERVILLE**
**RDA MEETING**
**Staff Backup Report**
**5/16/2017**

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time:

## SUBJECT

May 2, 2017 RDA meeting minutes

## RECOMMENDATION

## BACKGROUND

## ATTACHMENTS:

| | Description |
|---|---|
| D | May 2, 2017 RDA meeting minutes |

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, May 2, 2017 at 8:25 p.m. in the Centerville City Hall Council Chambers, 250 North Main Street, Centerville, Utah.

| | |
|---|---|
| **DIRECTORS PRESENT** | Paul A. Cutler, Chair<br>Tamilyn Fillmore<br>William Ince<br>Stephanie Ivie<br>George McEwan<br>Robyn Mecham |
| **STAFF PRESENT** | Steve Thacker, RDA Executive Director<br>Lisa Romney, City Attorney<br>Jacob Smith, Assistant to the City Manager<br>Katie Rust, Recording Secretary |

**PUBLIC HEARING – PROPOSED RDA FY 2018 BUDGET**

Steve Thacker, RDA Executive Director, suggested the RDA open a public hearing, and continue the public hearing to the RDA meeting on May 16th. The FY 2018 RDA Budget is part of the comprehensive budget document available on NovusAgenda, and will be made available on the City website. At 8:27 p.m., Mayor Cutler opened a public hearing, and closed the public hearing seeing that no one wished to comment. Director Ince made a **motion** to table action on the FY 2018 RDA Budget and continue the public hearing to the RDA meeting on May 16th. Director Mecham seconded the motion, which passed by unanimous vote (5-0).

**ASSIGNMENT AND ASSUMPTION AGREEMENT – CENTERVILLE GATEWAY SUBDIVISION – LOT 1 – IGGY'S**

Ms. Romney explained the request for an Assignment and Assumption Agreement for the sale and purchase of Lot 1 of the Centerville Gateway Subdivision. Staff recommends approval of the Assignment and Assumption Agreement. Russ Mackey, applicant, stated that the Centerville Iggy's is one of the top four Iggy's locations. He said he is looking forward to seeing the medical office open on the neighboring parcel.

Chair Cutler made a **motion** to approve the Assignment and Assumption Agreement for Lot 1 of the Centerville Gateway Subdivision from Mackey Investments Centerville, LC to Deerwood Investments Utah, LLC. Director Ivie seconded the motion, which passed by unanimous vote (6-0).

**LETTER OF SUPPORT FOR CENTERPOINT THEATRE GRANT APPLICATION**

CenterPoint Theatre desires to apply for a grant for County tourism funds in order to expand storage space at the facility. A majority of the RDA Board indicated they are in favor of sending a letter of support for the grant application.

**ADJOURNMENT**

At 8:35 p.m. Chair Cutler made a **motion** to adjourn the RDA meeting and move to a budget work session. Director Mecham seconded the motion, which passed by unanimous vote (6-0).

______________________________ ____________________
Steve Thacker, RDA Executive Director    Date Approved

______________________________
Katie Rust, Recording Secretary

**CENTERVILLE**
**RDA MEETING**
**Staff Backup Report**
**5/16/2017**

Item No. 2.

Short Title: Public Hearing - Proposed RDA FY2018 Budget

Initiated By:

Scheduled Time:

## SUBJECT

a. Continue public hearing
b. Adopt FY 2018 RDA Tentative Budget and set date for public hearing prior to adoption of Final Budget

## RECOMMENDATION

## BACKGROUND

The FY2018 RDA Proposed Budget was presented to the RDA at their May 2nd meeting, but the Board continued the public hearing to the May 16 meeting, after which they will adopt a Tentative Budget and set a date for a public hearing prior to adoption of the RDA Final Budget.

**ATTACHMENTS:**

Description

- FY2018 Proposed RDA Budget

RDA
SUMMARY BY FUND
FY 2017-2018 BUDGET

| | 2014/15 ACTUAL | 2015/16 ACTUAL | 2016-2017 6 MONTH ACTUAL | 2016-2017 12 MONTH ESTIMATE | 2016-2017 BUDGET | 2017-18 DEPARTMENT REQUEST | 2017-18 TENTATIVE | 2017-18 ADOPTED |
|---|---|---|---|---|---|---|---|---|
| REDEVELOPMENT AGENCY | | | | | | | | |
| REVENUES | $1,406,962 | $0 | $0 | $1,626,146 | $1,918,000 | $1,577,224 | $1,577,224 | $0 |
| OPERATING EXPENDITURES | $655,293 | $0 | $0 | $988,134 | $1,171,988 | $986,536 | $986,536 | $0 |
| CAPITAL EXPENDITURES | $668,892 | $0 | $0 | $638,012 | $746,012 | $590,688 | $590,688 | $0 |
| SUB TOTAL - EXPENDITURES | $1,324,185 | $0 | $0 | $1,626,146 | $1,918,000 | $1,577,224 | $1,577,224 | $0 |
| TOTAL REVENUES | $1,406,962 | $0 | $0 | $1,626,146 | $1,918,000 | $1,577,224 | $1,577,224 | $0 |
| TOTAL EXPENDITURES | $1,324,185 | $0 | $0 | $1,626,146 | $1,918,000 | $1,577,224 | $1,577,224 | $0 |

REDEVELOPMENT AGENCY
FY 17-18 BUDGET

| | 20- | 2014/15 ACTUAL | 2015/16 ACTUAL | 2016-2017 12 MONTH ESTIMATE | 2016-2017 BUDGET | 2017-18 DEPARTMENT REQUEST | 2017-18 TENTATIVE | 2017-18 ADOPTED |
|---|---|---|---|---|---|---|---|---|
| | USE OF FUND BALANCE | | | | 0 | | | |
| 3110 | TAX INCREMENT - PARRISH LN. | 1,046,267 | | 1,099,982 | 1,250,000 | 942,685 | 942,685 | |
| 3120 | TAX INCREMENT - LEGACY XING | 129,011 | | 192,947 | 250,000 | 250,000 | 250,000 | |
| 3120 | TAX INCREMENT - BARNARD CREE | 0 | | 100,897 | 130,000 | 100,897 | 100,897 | |
| 3810 | CONTRIBUTION - OTHERS | 0 | | | | | | |
| 3875 | RENTAL | 68,684 | | 76,800 | 78,000 | 76,800 | 76,800 | |
| 3120 | ADDITIONAL TAX INCREMENT | 163,000 | | 155,520 | 210,000 | 206,842 | 206,842 | |
| | BOND PROCEEDS/OTHER | | | | | | | |
| | TOTAL RDA REVENUES | 1,406,962 | 0 | 1,626,146 | 1,918,000 | 1,577,224 | 1,577,224 | 0 |
| | EXPENDITURES | | | | | | | |
| 210 | PUBLIC NOTICES | 46 | | 100 | 100 | 100 | 100 | |
| 310 | PROF & TECH - MISC | 22,031 | | 15,000 | 10,000 | 15,000 | 15,000 | |
| 311 | ATTORNEY SERVICES | 0 | | 0 | 0 | 0 | 0 | |
| 316 | ENGINEERING - MARKETPLACE | 9,675 | | 7,500 | 7,500 | 7,500 | 7,500 | |
| 400 | TRANSFER - DEBT PAYMENT | 12,295 | | | 0 | 0 | 0 | |
| 410 | PAYMENT OF INCREMENT | 287,206 | | 418,000 | 370,000 | 315,000 | 315,000 | |
| 420 | OTHER OBLIGATIONS | | | 126,604 | 295,978 | 176,444 | 176,444 | |
| 421 | ADDITIONAL INCREMENT | 163,000 | | 155,520 | 300,000 | 206,842 | 206,842 | |
| 480 | SUPPLIES & MATERIALS | 8,280 | | 5,000 | 5,000 | 5,000 | 5,000 | |
| | DEPOSIT INTO TRF | | | 76,800 | | 76,800 | 76,800 | |
| 511 | INSURANCE | 1,760 | | 12,210 | 12,210 | 12,450 | 12,450 | |
| 615 | BOARD | 8,000 | | 8,200 | 8,000 | 8,200 | 8,200 | |
| 620 | ADMINISTRATIVE SERVICES | 143,000 | | 163,200 | 163,200 | 163,200 | 163,200 | |
| | SUBTOTAL | 655,293 | 0 | 988,134 | 1,171,988 | 986,536 | 986,536 | 0 |
| CAPITAL PROJECTS | | | | | | | | |
| | Traffic Signal - Marketplace | | | | | | | |
| | Centerville Corporate Park | | | | | | | |
| | Performing Arts | 6,745 | | | 25,000 | | | |
| | Shorelands EDA/Legacy CDA | 0 | | | 0 | | | |
| | Legacy CDA | 0 | | 45,000 | 45,000 | | | |
| | I-15 pedestrian bridge | 0 | | | 0 | | | |
| | South Main Study Area | 0 | | | 0 | | | |
| | Barnard Creek CDA | 7,726 | | | 83,000 | | | |
| | Marketplace improvements | 0 | | | 0 | | | |
| | Housing | 0 | | | 0 | | | |
| | Davis Performing Arts/Transfer | 654,421 | | 593,012 | 593,012 | 590,688 | 590,688 | |
| | SUBTOTAL | 668,892 | 0 | 638,012 | 746,012 | 590,688 | 590,688 | 0 |
| | TOTAL RDA EXPENDITURES | 1,324,185 | 0 | 1,626,146 | 1,918,000 | 1,577,224 | 1,577,224 | 0 |
| | EXCESS REVENUES OVER (UNDER) EXPENDITURES | 82,777 | 0 | 0 | 0 | 0 | 0 | 0 |

| | Employee | | | Employee + 1 | | Employee + Fam | |
|---|---|---|---|---|---|---|---|
| **Agency** | **Employer%** | **Trad/HDHP** | **H.S.A. contrib** | **Employer%** | **H.S.A. contrib** | **Employer%** | **H.S.A. contrib** |
| Davis County | 90% | Trad | | 90% | | 90% | |
| Murray City | 85% | Trad/HDHP | $676 | 85% | $1,487 | 85% | $2,027 |
| Draper City | 100% | Trad | | 90% | | 90% | |
| Davis School District | 94% | Trad/HDHP | $720 | 83% | $1,440 | 83% | $1,800 |
| Bountiful City | 100% | Trad/HDHP | | 95% | | 90% | |
| Clearfield City | 100% | Trad/HDHP | $600 | 100% | $1,200 | 100% | $1,200 |
| Kaysville City | 100% | Trad/HDHP | $1,200 | 95% | $2,400 | 90% | $2,400 |
| South Ogden City | 80% | Trad/HDHP | $1,000 | 80% | $1,700 | 80% | $1,700 |
| Syracuse City | 80% | Trad/HDHP | $603 | 80% | $1,627 | 80% | $1,627 |
| West Bountiful City | 100% | Trad | | 90% | | 90% | |
| Woods Cross | 93% | Trad | | 93% | | 93% | |
| Weber County | 100% | Trad | | 100% | | 100% | |
| State of Utah | 90% | Trad/HDHP | $792 | 90% | $1,584 | 90% | $1,584 |
| Sandy City | 100% | HDHP | $1,478 | 100% | $1,876 | 100% | $1,876 |
| Centerville City | 90% | Trad | | 90% | | 90% | |
| Utah County | 100% | HDHP | $800 | 100% | $1,600 | 100% | $1,600 |
| Layton City | 80% | Trad | | 80% | | 80% | |
| South Jordan City | 80% | HDHP | $625 | 80% | $1,300 | 80% | $1,300 |
| Ogden City | 100% | HDHP | $533 | 100% | $1,183 | 100% | $1,655 |
| Salt Lake City Corp | 95% | Trad/HDHP | $750 | 95% | $1,500 | 95% | $1,500 |

**Potential RDA "Gap" Strategies**

Additional revenue

- $79,000 from Bountiful City for past due RAP Tax payments to RDA
- $108,000 from UDOT—refund of City's deposit in July 2015 for upgraded fencing on Parrish

Transfer of expenditures from RDA to

- Drainage Utility Fund – $65,000 for Barnard Creek Culvert Project
- Theater Reserve Fund -- $40,000 for HVAC work by Harris Service in 2016 – Restricted account
- Theater Reserve Fund -- $12,000 for water damage related expenses in January 2017 – "
- Theater Reserve Fund – $24,000 for property insurance for performing arts center-2016 & 2017 –
- Transportation Fund -- $8,000 ESI fees for Parrish corridor traffic study (with UDOT)
- Transportation Fund -- <u>$10,000</u> for "betterments" to 1250 West/Parrish traffic signal project

| | |
|---|---|
| Expenses total: | $135,000 |
| Additional revenue: | <u>$187,000</u> |
| Total: | <u>$322,000</u> |

- Other miscellaneous expenses: $2000 - $3000 (sewer bill--$660; fire sprinkler system inspections; etc.)

Reverse prior actions affecting Theater Reserve Fund:

- Net impact of contributions from CPT for facility construction and debt service paid from those contributions: ________ (Marcus)

Obligations yet to be paid by RDA in FY 2017

- Tax increment to Dayton-West: $150,757 (?) – Jason Burningham
- Tax increment to Legacy Crossing Theater: $137,000 (approx.?)
- Tax increment to Land Rover: $31,000 (approx.?)
- Maverik Trailhead cost-share: $45,000 (est.)
- Professional services: $5000
- Total estimated expenses yet to occur in RDA: <u>$368,757</u>

...der the terms of this Lease and Operating Agreement. It is the intent of the parties to fund not only the Association's Operations Reserve Fund and Maintenance Reserve Fund, but also the RDA's Theatre Reserve Fund, in order to provide an equitable distribution of funds for the long-term success and viability of the Theatre operations and the long-term maintenance, repair and replacement of the Theatre and the Site. As such, the Association agrees to use its good faith best efforts to accurately and fairly allocate funds and expenses and to calculate Annual Profits in accordance with the stated intent of the parties as more particularly discussed herein and in Section 18 regarding the use of public funds for the project. The Theatre Reserve Fund shall only be used for investment, financing, maintenance, repair, replacement, expansion, alteration, enhancement, betterment or operation of any buildings, grounds, facilities, improvements, programs, fixtures and related equipment and accessories associated with the Theatre and the Site. Use of any portion of the Theatre Reserve Fund shall be pre-approved by the ACB, which approval shall not be unreasonably withheld. The parties, together with the ACB, may adopt policies for prioritizing projects, repairs, replacements, betterments, capital improvements, etc., with respect to the use and expenditures of the Theatre Reserve Fund. For purposes of prioritizing the use of the Theatre Reserve Fund it is the parties' intent to create a substantial and sufficient Theatre Reserve Fund for the primary purpose of providing for future repair, replacement and capital improvements associated with the Theatre and the Site. Standard calculations for repair and replacement costs for a building the size and quality of the Theatre suggest an annual fund contribution equal to one and one-half percent (1.5%) of the replacement value of the facility. Although permitted under the terms of this Lease and Operating Agreement, it is not the parties' intent that the Theatre Reserve Fund be used for routine maintenance until and unless a sufficient Theatre Reserve Fund is established and/or the use of such funds for routine maintenance is deemed necessary and appropriate under the circumstances. It is not the intent, and the RDA shall not use any Rent proceeds or the Theatre Reserve Fund for debt retirement or service with respect to the tax-exempt bonds. Confl ✓ ¶2

**26. Flow of Funds.** Consistent with the provisions set forth in Sections 18-25, the allocation of revenues from the operation of the Theatre shall be distributed and allocated in the following order of intended priority: (1) payment of Base Rent; (2) payment of current operations, production and maintenance costs and expenses; (3) allocation of funds to the Maintenance Reserve Fund; (4) allocation of funds to the Operations Reserve Fund; and (5) distribution of Annual Profits as Variable Rent due to the RDA.

**27. Exception for Earmarked Donations.** It is the intent of the parties to encourage the donation of private funds to the Theatre to the broadest extent possible. In order to encourage such donations, the parties desire to provide an exception to Annual Profit calculations and reserve fund maximum cap limitations for earmarked donations and the ability to use such donations for the intended purpose. The parties hereby agree that any legitimate private donation specifically earmarked for a particular specified purpose, such as donations for a specified capital improvement, specialized accessory or particular performance, may be used for the designated purpose without such donation being required to be designated as revenue for purposes of calculating Annual Profits. In addition, donations earmarked specifically to the Operations Reserve Fund or the Maintenance Reserve Fund shall not be subject to the maximum fund balance restrictions set forth in Section 22 or Section 23, but shall be utilized to determine whether the fund balance cap has been reached for purposes of calculating Annual Profits. In ?

...icularly provided herein. The Association shall use its best efforts to allocate funds to the Maintenance Reserve Fund in an amount that is reasonably adequate and necessary for purposes of fulfilling its maintenance and repair obligations under this Lease and Operating Agreement; provided, the fund balance in the Maintenance Reserve Fund shall not exceed Three Hundred Thousand Dollars ($300,000). The Maintenance Reserve Fund shall only be used to fund the Association's maintenance and repair obligations set forth in this Lease and Operating Agreement, including, but not limited to, the maintenance, repair or replacement of any buildings, grounds, landscaping, facilities and improvements associated with the Theatre and the Site. The primary purpose and intent of the Maintenance Reserve Fund is to create a substantial and sufficient reserve fund to be used for major, non-routine or unexpected maintenance, repairs and replacement obligations of the Association. Routine and preventative maintenance and recurring repair and replacement projects should be budgeted for and funded out of the Annual Operating Budget In accordance with the provisions of Section 32, until and unless the Maintenance Reserve Fund is fully funded to the maximum fund balance for such fund, a minimum of fifty percent (50%) of the combined annual reservation of funds to both the Operations Reserve Fund and the Maintenance Reserve Fund shall be allocated to the Maintenance Reserve Fund, exclusive of earmarked donations. The combined amount calculations and percentage allocation requirements set forth herein may include the Minimum MRF Contribution set forth in Section 33. Allocations to the Operations Reserve Fund and the Maintenance Reserve Fund shall be subject to review and approval by the RDA and ACB in accordance with the provisions of Section 28. The Association may be required by the RDA as part of the budget process to utilize funds in the Maintenance Reserve Fund to pay for current or future maintenance and repair obligations. The Association shall provide the RDA and ACB with at least thirty (30) days prior written notice of any proposed withdrawal and/or use of funds within the Maintenance Reserve Fund.

**24. RDA Rent Proceeds.** Monthly Base Rent and the annual Variable Rent shall be paid to the RDA. Base Rent and Variable Rent proceeds shall first be used to reimburse the RDA for any actual expenditures or expenses incurred by the RDA for the construction, financing, maintenance, repair, alteration, or operation of the Theatre or the Site. Such reimbursement amounts may be retained by the RDA from the Rent without prior approval of the ACB. The RDA shall be required to provide the ACB with itemized statements regarding any and all such reimbursements from Rent proceeds. Any remaining Base Rent or Variable Rent proceeds shall be used to fund the RDA's Theatre Reserve Fund as more particularly provided in Section 25. Use of funds within the Theatre Reserve Fund shall be subject to the specific conditions and limitations set forth in this Lease and Operating Agreement regarding the Theatre Reserve Fund as set forth in Section 25.

**25. RDA Theatre Reserve Fund.** The RDA shall create a reserve fund to be used solely for the Theatre and Site as more particularly provided herein ("Theatre Reserve Fund"). The RDA shall retain the Theatre Reserve Fund in a specially created fund to be maintained by the RDA and used solely for the purposes set forth herein. The Theatre Reserve Fund shall be funded with remaining Base Rent or Variable Rent proceeds as set forth in Section 24. Nothing herein is intended to or shall obligate the RDA to separately fund the Theatre Reserve Fund. The parties expressly acknowledge that the funding of the Theatre Reserve Fund is solely dependent upon the calculation and amount of Annual Profits and the payment of Base Rent and Variable

**Centerville City**
Cash Position by Fund and in Total

| | General | RDA | MBA | Recreation | Rap Tax |
|---|---|---|---|---|---|
| Cash | $ 291,756 | $ 568,815 | $ 1,207 | $ 76,648 | $ 297,535 |
| Restrictions on above cash: | | | | | |
| Cash Bonds/Deposits | 515,082 | - | - | - | - |
| DUI funds | 35,521 | - | - | - | - |
| Due from other funds: | | | | | |
| Due from Sanitation | 90,822 | - | - | - | - |
| Due from Telecom | 19,500 | - | - | - | - |

| | Utopia Project Fund | Water Fund | Sanitation Fund | Debt Service | Cemetery (Prem restricted) |
|---|---|---|---|---|---|
| Cash | 77,933 | 446,697 | 30,467 | 2,500 | $ 37,700 |
| Debt Reserve Cash | - | 203,881 | - | - | - |
| Restrictions on above cash: | | | | | |
| Impact Fees | - | 361,588 | - | - | - |
| Due from other funds: | | | | | |
| Due to Drainage Fund | - | (561,924) | - | - | - |
| Due to General Fund | - | - | (90,822) | - | - |

| | Drainage Utility | Telecom Fund | Whitaker Trust Fund | Park (Impact Fee) | Transportatior (class C & Prop 1) |
|---|---|---|---|---|---|
| Cash | 245,639 | 36,793 | 38,974 | 329,810 | 634,791 |
| Restrictions on above cash: | | | | | |
| Impact Fees | 25,896 | - | - | - | - |
| Due from other funds: | | | | | |
| Due from Water Fund | 561,924 | - | - | - | - |
| Due to General Fund | - | (19,500) | - | - | - |