

REDEVELOPMENT AGENCY OF CENTERVILLE CITY AGENDA

NOTICE IS HEREBY GIVEN THAT THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY WILL HOLD A PUBLIC MEETING AT 8:45 P.M. ON TUESDAY, OCTOBER 7, 2014 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:

8:45 **A. ROLL CALL**

B. NEW BUSINESS

1. **MINUTES REVIEW AND ACCEPTANCE**
 September 2, 2014 RDA/ACB meeting minutes
2. Consider funding of enhancements for pedestrian bridge to be
 constructed over I-15
3. Update of other RDA potential projects

C. ADJOURNMENT

Steve H. Thacker
Executive Director

**CENTERVILLE CITY COUNCIL
Staff Backup Report
10/7/2014**

Item No. 1.

Short Title: Minutes Review and Acceptance

Initiated By:

Scheduled Time:

SUBJECT

September 2, 2014 RDA/ACB meeting minutes

RECOMMENDATION

BACKGROUND

ATTACHMENTS:

Description

- ☐ September 2, 2014 RDA/ACB meeting minutes

PRELIMINARY DRAFT

Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts Administrative Control Board meeting held Tuesday, September 2, 2014 at 5:10 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Ken Averett, RDA of Centerville City, ACB Secretary
Paul Cutler, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
Tamilyn Fillmore, RDA of Centerville City
John T. Higginson, RDA of Centerville City Vice Chair/ACB Vice Chair
Stephanie Ivie, RDA of Centerville City
John Marc Knight, ACB Board Member, Bountiful City Council (left at 6:18 p.m.)
Lawrence Wright, RDA of Centerville City, ACB Board Member (arrived at 5:15 p.m.)

MEMBER ABSENT

John Pitt, ACB Board Member, Bountiful City Council

STAFF PRESENT

Steve Thacker, RDA Executive Director
Blaine Lutz, Centerville Finance Director
Lisa Romney, Centerville City Attorney
Jacob Smith, Centerville Management Assistant
Jansen Davis, CPT Executive Director
David Peterson, CPT Chief Financial Officer
Katie Rust, Recording Secretary

OTHERS PRESENT

Randy Lewis, Bountiful Mayor
Ron Russell, Chair of CPT Board (arrived at 5:20 p.m.)
Gary Hill, Bountiful City Manager

SELECTION OF ADMINISTRATIVE CONTROL BOARD OFFICERS

Steve Thacker, RDA Executive Director, recommended appointing the RDA Chair and Vice Chair to the ACB Chair and Vice Chair positions. He also recommended the ACB Secretary be selected from the Centerville RDA. John Marc Knight, ACB Board Member, made a **motion** to appoint Paul Cutler as ACB Chair, John Higginson as ACB Vice Chair, and Ken Averett as ACB Secretary. Vice Chair Higginson seconded the motion, which passed by unanimous vote of the ACB (5-0).

REPORT/UPDATE FROM STAFF

- Blaine Lutz, Centerville Finance Director, reported that an AED has been purchased for the Davis Center for the Performing Arts.
- The facility is scheduled to be inspected by URMMA on September 16th.
- Mr. Thacker explained that soil was moved from the Davis Center for the Performing Arts construction site to the Centerville Community Park expansion site at the beginning of construction. The soil now needs to be moved to other locations to make way for the Park Expansion Project. Staff has recommended to the RDA that up to \$100,000 of soil relocation expense could be charged to the RDA. The RDA has approved the expense.

2013 FINANCIAL AUDIT REPORT

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1 Mr. Thacker reported that the 2013 financial audit of CPT received a clean opinion.
2 David Peterson, CFO of CenterPoint Legacy Theatre (CPT), explained the segregation of
3 financial duties issue identified by the auditors. Jan Davis, CPT Executive Director, pointed out
4 that facility expenses substantially increased in 2013 compared to 2012. He explained that a
5 facilities management team has been hired to ensure that routine maintenance is done on a
6 regular basis.

7 8 **FY 2014 SIX-MONTH FINANCIAL REPORT FOR CPT**

9
10 Mr. Davis briefly reported on the FY 2014 six-month Financial Report. Mr. Peterson
11 explained that the facility expenses are spread evenly throughout the year, but revenue is
12 received sporadically, matching up with the different productions. Mr. Davis stated that the
13 facility expenses are currently in line with anticipated amounts. Director Wright asked if they
14 have taken into account Rocky Mountain Power rate increases, and suggested that solar power
15 may be a way to reduce electrical expenses. Mr. Davis responded that the budget anticipates
16 rate increases each year. CPT is currently on the lowest rate tier with Rocky Mountain Power.
17 Mr. Davis added that they are currently looking into switching to LED lighting fixtures.

18 19 **CPT CONSTRUCTION OBLIGATION**

20
21 Mr. Lutz reported that the construction obligation has been reduced to \$44,000. Chair
22 Cutler asked Mr. Davis when he anticipates the remaining amount will be paid. Mr. Davis
23 responded the goal is to pay the remaining amount before the end of the year. Mr. Thacker
24 mentioned that per the Lease Agreement CPT has until March of 2015 to complete the
25 payments. Mr. Thacker added that staff interpreted the transfer of the construction obligation
26 repayment of \$177,000 last year to the Theatre Reserve Fund to be a one-time authorization.
27 Subsequent repayments have been applied to the RDA Fund as anticipated by the Lease. The
28 \$177,000 was transferred to the Theatre Reserve Fund to build up the balance of the Fund for
29 long-term maintenance needs.

30 31 **LONG-TERM FACILITY MAINTENANCE PLAN**

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33 Mr. Thacker stated that the Lease Agreement refers to a Comprehensive Maintenance
34 Plan to be prepared by CPT to project maintenance needs. Jake Smith, Centerville
35 Management Assistant, has helped CPT put together a Maintenance Plan based on information
36 collected from Associated Building Services (ABS). ABS is on contract with CPT to advise and
37 conduct periodic inspections and routine maintenance. Mr. Thacker reported he has reviewed
38 the Maintenance Plan. He said he feels it does not fully satisfy the requirements in the Lease
39 Agreement regarding scheduled maintenance and inspection programs, and documentation of
40 work performed. Mr. Thacker suggested CPT representatives bring back an enhanced
41 Maintenance Plan that includes a schedule of ongoing maintenance, as well as documentation
42 of work performed in 2014, when they present their annual budget in December. Mr. Thacker
43 also mentioned that asphalt maintenance for the parking lot and drive aisles is not included in
44 the Maintenance Plan. Mr. Davis responded that the parking area is included in the grounds
45 contract with MTC.

46
47 Roof replacement and some other expensive items are to be paid out of the Theatre
48 Reserve Fund (TRF), which requires RDA approval. The Maintenance Reserve Fund is under
49 the control of the CPT Association. Director Averett suggested that Salt Lake County could be a
50 good resource for theatre management cost estimates. Lisa Romney, Centerville City Attorney,
51 asked if replacement of the stage floor would be paid for with the Theatre Reserve Fund or the

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1 Maintenance Reserve Fund. Jacob Smith, Management Assistant, explained that floor
2 replacement is assumed in the Maintenance Plan to be funded by the Theatre Reserve Fund
3 because the Maintenance Reserve Fund has an expense cap of \$300,000 and a stage floor
4 replacement costs much more than that limit. Mr. Thacker explained that CPT has the ability to
5 request the RDA to pay expenses in addition to the ones already listed for the Theatre Reserve
6 Fund. Director Wright suggested adding a separate column to the Maintenance Plan for annual,
7 repetitive maintenance needs that will be funded by CPT's annual budget. Mr. Smith stated he
8 learned that the University of Utah assumes 1-1.5% of a building's cost should be set aside
9 each year for long-term maintenance needs. Mr. Thacker agreed to provide to RDA and ACB
10 members a memo from Lisa Romney explaining the maintenance needs to be funded by CPT's
11 annual budget, the Maintenance Reserve Fund and the Theatre Reserve Fund, respectively.
12

PAYMENT OF PROPERTY INSURANCE

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14
15 Mr. Thacker explained that the RDA has paid the property insurance expense for the
16 facility through 2014. However, the Lease Agreement specifies property insurance to be the
17 responsibility of CPT. The annual expense is approximately \$1,500. Mr. Thacker asked the
18 ACB if staff should begin billing CPT for property insurance, and at what point they should
19 begin. Director Wright asked if the insurance provides earthquake coverage. Mr. Lutz
20 responded it is part of a blanket policy with eleven other cities through URMMA that includes
21 earthquake coverage. Mr. Thacker added that the building was designed for earthquake
22 resistance. Chair Cutler commented that long-term it would be wise to either follow the Lease
23 Agreement or amend the Lease. Mr. Davis responded that from his perspective several things
24 have been added as the responsibility of the organization managing the facility, but he feels it
25 should be a partnership. He said he does not feel CPT has done anything against the
26 Agreement, but it feels heavy handed when talking about funds. Director Wright responded that
27 the RDA owns the building and should evaluate who should be responsible for paying for
28 property insurance. Mr. Thacker stated that the property insurance premium will be due again
29 in July of next year. The ACB Board indicated a willingness to evaluate whether to follow or
30 alter the Lease Agreement.
31

32 Mr. Davis commented that the Lease Agreement was written without understanding
33 completely what they were all getting into. He said he is a theater guy, not a facilities manager,
34 and he is not always comfortable with a theater company making decisions for a building owned
35 by the City. Mr. Davis expressed appreciation for the City's help in putting together
36 maintenance plans. With a few years of experience he said it seems like a good time to rethink
37 responsibilities and facility management. Director Fillmore commented that considering the fact
38 that fewer cities are involved than originally anticipated, she is impressed with how well it has
39 worked. Mr. Peterson suggested it might be beneficial to examine whether piggy-backing on
40 other types of insurance could reduce the premium.
41

REPORT ON MEETING WITH DAVIS COUNTY OFFICIALS

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44 Chair Cutler reported on conversations with Davis County officials about potential future
45 support from tourism tax revenues. The County contributed \$2 million towards construction of
46 the facility – some up front and some over several years. Chair Cutler stated he believes it is in
47 the County's best interest for tourism tax revenues to continue to improve the facilities in South
48 Davis County. Chair Cutler expressed a desire to work with Bountiful and other South Davis
49 County cities to ensure continued funding. Mayor Lewis agreed with Chair Cutler on the need to
50 be unified.
51

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CPT REQUEST FOR PORTION OF RAP TAX FUNDS IF RENEWED BY VOTERS

Bountiful has announced its intention of putting the RAP Tax on the ballot this year. The Centerville Council may decide to include it on the ballot next year. Chair Cutler stated that a majority of the proposed renewal should go toward funding parks, but a portion should go to the Performing Arts Center. Ron Russell, CPT Board Chair, commented that the RAP Tax was originally implemented for eight years and had to be used for capital improvements. Since then the Legislature has changed the requirements, and a city-authorized RAP tax can now be used for capital costs as well as operating expenses. Chair Russell expressed the hope that some portion of the tax, if renewed, could go to the Davis Center for the Performing Arts. CPT now has more than 7,000 season ticket holders. Mr. Davis stated that approximately 13% of Centerville residents and 10% of Bountiful residents attend CPT on a regular basis.

Mayor Lewis asked if it has been defined what the theatre is and what it will become. Chair Russell responded that with three years of operating experience and a mission statement in place, they are in the process of preparing a five-year goal plan. A draft should be ready within the next month or two, and Chair Russell said he would be happy to share the goal plan with the ACB. He stated that in order to maintain the quality of productions CPT needs paid, qualified professionals on staff. As part of a discussion of ways the theatre can continue to grow, Mr. Davis stated that the facility cannot physically expand, but CPT can look at producing more shows or running shows longer if needed to meet demand.

REVIEW OF CPT'S FACILITY RENTAL RATES AND USAGE

Chair Cutler brought up the question of whether the facility should be used only by CPT, or function more as a community facility available for use by other groups. He stated he has advocated use by elementary and junior high schools, and asked Mr. Davis how many groups have used the facility. Mr. Davis responded that not many groups have been able to use the facility because of scheduling difficulties. The main stage has been used by Centerville Jr. High, dance companies, and pageants. The smaller Leishman Hall has had less demand. Some of the smaller rooms have been used by groups. Chair Russell commented that two limitations have contributed to the lack of rentals – a lack of CPT staff to logistically facilitate rentals, and the fact that other facilities, like schools, are less expensive. If the facility were made more available to the community, there would be less time for use by CPT. It is difficult to find a balance. Mr. Davis added that so far CJH is the only school that has shown interest in renting the facility.

NEXT MEETING

Per the Lease Agreement the CPT Annual Budget must be submitted for review by the latter part of November. The RDA/ACB will give feedback no later than December 10th. CPT will adopt the Budget by December 20th. The RDA/ACB will meet on December 2nd prior to the regular Council meeting. Following this discussion the Bountiful representatives and CPT representatives left the meeting.

RDA MINUTES REVIEW AND ACCEPTANCE

The minutes of the August 19, 2014 RDA meeting were reviewed. Director Fillmore made a **motion** to approve the minutes. Director Wright seconded the motion, which passed by unanimous vote of the RDA (6-0).

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ADJOURNMENT

At 6:37 p.m. Director Ivie made a **motion** to adjourn the meeting. Director Wright seconded the motion, which passed by unanimous vote (6-0).

Paul A. Cutler, RDA Chair

Date Approved

Steve Thacker, RDA Executive Director

Katie Rust, Recording Secretary

CENTERVILLE CITY COUNCIL
Staff Backup Report
10/7/2014

Item No. 2.

Short Title: Consider funding of enhancements for pedestrian bridge to be constructed over I-15

Initiated By:

Scheduled Time:

SUBJECT

RECOMMENDATION

Consider additional information to be provided by Councilwoman Fillmore and staff. Approve RDA funding for enhancements agreed upon by the RDA Board.

BACKGROUND

Councilwoman Tami Fillmore has been taking the lead recently in researching potential enhancements for the I-15 pedestrian bridge and the new sidewalk the I-15 contractor will construct along the north side of Parrish Lane between the interchange and 1250 West. Randy Randall, Public Works Director, and Kevin Campbell, City Engineer, are assisting her. The analysis is still ongoing; therefore, a summary of the analysis and recommendations will not be available until Monday or Tuesday.

CENTERVILLE CITY COUNCIL
Staff Backup Report
10/7/2014

Item No. 3.

Short Title: Update of other RDA potential projects

Initiated By:

Scheduled Time:

SUBJECT

a. Biotron Laboratories Expansion - Barnard Creek CDA

RECOMMENDATION

BACKGROUND

a. Biotron Laboratories Expansion project - Below is some background and information on Biotron. Also attached are some site plans of the project expansion.

Biotron Laboratories Inc. was established as a Utah Corporation in 1979. Dr. M Taher Fouad and his wife Karen Sue Fouad invested their life savings into the idea of establishing a high quality mineral and vitamin processor, following Dr. Fouad's experience in allied companies. This idea took root in a 2500 ft² rented industrial condo (between a trailer repair shop and plumbing supply) in West Ogden, Utah. On the heels of early success, Biotron secured a parcel of vacant land in the nascent Centerville Industrial Park and in 1982 moved operations to the current site at 750 North 1250 West. What was a state-of-the-art facility for the period was constructed specifically for the purpose, having learned the limitations of 'borrowed' space. At approximately 17,000 ft² on two levels, there was ample room for growth. In subsequent years, improvements to the existing plant have kept pace, including commercial water deionization and purification, air handling and dust collection/filtration, energy efficient equipment upgrades and processing areas --culminating with a warehouse expansion in 2000 and in 2013, new roof seal and solar panel installation.

Over time, Biotron has grown from a small scale supplier of specialty mineral ingredients to a handful of U.S. based firms to a global provider of clinically studied products in a variety of forms. The quality and consistency of Biotron's materials has created a committed base of brand owners and marketers for whom these materials are essential, including some of the most recognized brands in the nutrition industry.

Growth has been robust, and continued even during the severe recession of 2008-2010. In the past 5 years (2007 to 2013, for which complete annual data is available) Biotron's output has more than tripled from 65 metric tons to 200 metric tons. Confirmed orders will exceed this quantity in 2014. During this period, a second facility was brought online in Salt Lake City, affording additional processing, office and warehouse space. Nevertheless, despite the addition of a second site the primary hub of activity remains in Centerville.

This growth – and it's concomitant order book – requires additional processing equipment and expanded warehouse and processing space. However, such a program is not without considerable costs as well as substantial risks and potential disruption. Biotron owners are interested in how the Barnard Creek Community Development Area (CDA), the boundaries of which encompass their location, can assist them with their expansion.

ATTACHMENTS:

Description

- ☐ Biotron Image 1
- ☐ Biotron Image 2
- ☐ Biotron Image 3
- ☐ Biotron Image 4







