Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts Administrative Control Board meeting held Tuesday, December 3, 2013 at 5:55 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

MEMBERS PRESENT

Justin Y. Allen, RDA of Centerville City/ACB Board Member (arrived at 6:25 p.m.)
Ken Averett, RDA of Centerville City
John T. Higginson, RDA of Centerville City Vice Chair/ACB Board Member
Sherri Lyn Lindstrom, RDA of Centerville City/ACB Board Member
Ronald G. Russell, RDA of Centerville City Chair/ACB Chair (Centerville City Mayor)
Lawrence Wright, RDA of Centerville City

MEMBERS ABSENT

Beth Holbrook, ACB Board Member (Bountiful City Councilwoman)
John Marc Knight, ACB Board Member (Bountiful City Councilman)

STAFF PRESENT

Steve Thacker, RDA Executive Director
Blaine Lutz, Centerville Finance Director
Lisa Romney, Centerville City Attorney
Jansen Davis, CPT Executive Director
David Baugh, CPT Board Member
Katie Rust, Recording Secretary

AMENDMENT NO. 7 TO THE LEASE AGREEMENT FOR THE PERFORMING ARTS CENTER

Lisa Romney, Centerville City Attorney, explained the proposed changes to the Lease Agreement for the Performing Arts Center. Amendment No. 7 changes the deadline for payment of Variable Rent from January 31 to June 30, changes the Minimum MRF Contributions from quarterly to annually due on June 30, and sets the due date of June 30, 2015 for the remaining Construction Cost Obligation. Action on this matter was postponed until later in the meeting.

REVIEW THIRD QUARTER 2013 FINANCIAL REPORT FOR CENTERPOINT LEGACY THEATRE

Jansen Davis, CPT Executive Director, explained the Third Quarter 2013 Financial Report for CenterPoint Legacy Theatre. At the September 3, 2013 RDA-ACB meeting, staff reported that after paying \$177,000 toward the Construction Cost Obligation, \$115,293 in net assets from 2012 operations remained to be split equally between the Operations Reserve Fund (ORF) and the Maintenance Reserve Fund (MRF). A motion was made and passed on September 3rd to split the \$115,293 equally between the two funds. Steve Thacker, RDA Executive Director, reported that since then staff has realized that the \$115,293 was actually part of the \$177,000. The \$177,000 has been paid, but there is not a remaining balance of \$115,293 to split between the ORF and the MRF. Approximately \$14,000 (1% of the annual revenue) has been transferred to the MRF to meet the minimum lease obligations. The MRF currently has a balance of approximately \$92,000. The ORF balance remains unchanged. Mr. Thacker requested a motion to revise the action taken at the September 3, 2013 meeting. The \$177,000 paid toward construction costs was transferred to the Theatre Reserve Fund (in accordance with direction given in the September 3 RDA/ACB meeting) to be under the control of the RDA.

Director Lindstrom made a **motion** to authorize a deposit satisfying the lease requirement of 1% of annual revenues into the MRF (\$13,917.61), correcting the amounts mistakenly reported and acted upon on September 3, 2013. Vice Chair Higginson seconded the motion, which passed by unanimous vote of the RDA (5-0). ACB action was postponed until later in the meeting.

REVIEW 2014 BUDGET FOR CENTERPOINT LEGACY THEATRE, INCLUDING FACILITIES MAINTENANCE BUDGET

Mr. Davis explained the 2014 Budget for CenterPoint Legacy Theatre. He reported that maintenance contracts for the facility are in place, and he has confidence in the projected maintenance costs going into 2014. 2013 was a strong year for the Theatre, and expenses for marketing and development have increased in the 2014 Budget in an effort to continue growth. Director Averett asked how fundraising efforts are going. Mr. Davis responded that fundraising is going well, and explained some of the specific efforts that have been made.

Director Allen arrived at 6:25 p.m. Mr. Thacker stated he is confident that the proposed Facilities Budget is reasonable. With each year of experience the budget can be predicted with greater accuracy. Long-term maintenance needs have been identified. Director Wright emphasized the need to have a plan in place to pay for needed maintenance. Mr. Thacker agreed to incorporate these long-term maintenance needs into a plan that compares projected costs with projected reserve funds and review this in a future RDA/ACB meeting. Mr. Davis reported that the recent small fire in the facility was caught quickly and has been completely cleaned up.

Vice Chair Higginson made a **motion** to approve the 2014 Facilities Budget as presented by staff. Director Lindstrom seconded the motion, which passed by unanimous vote of the RDA (6-0).

APPROVAL OF AMENDMENT NO. 7 TO THE LEASE AGREEMENT

Director Allen made a **motion** that the ACB recommend approval of Amendment No. 7 to the Lease Agreement for the Performing Arts Center. Director Lindstrom seconded the motion, which passed by unanimous vote of the ACB (4-0).

Director Averett made a **motion** to approve Amendment No. 7 to the Lease Agreement of the Performing Arts Center. Vice Chair Higginson seconded the motion, which passed by unanimous vote of the RDA (6-0).

MOTION TO CORRECT ACTION TAKEN ON SEPTEMBER 3, 2013

Mr. Thacker briefly explained to Director Allen the need to correct action taken on September 3rd regarding allocation of funds to the MRF and ORF. Director Lindstrom made a **motion** to approve the transfer of 1% of the annual revenues ($13,917.61) to the MRF as per the Lease Agreement, correcting the action taken on September 3, 2013 to divide $115,293 between the ORF and the MRF. Director Higginson seconded the motion, which passed by unanimous vote of the ACB (4-0).

Vice Chair Higginson asked if Mr. Davis is concerned that funds were not added to the ORF. Mr. Davis responded he is not concerned. When the construction debt is taken care of more funds will be available. A possible purchase of the naming rights would increase the balance of both the ORF and the MRF. Chair Russell added that the Theatre operates with a minimum number of staff members who are working for very little, as well as a lot of volunteer labor. He expressed the hope that greater compensation will be possible as growth occurs.

At 6:43 p.m. representatives of CPT left the meeting and the Board continued with additional RDA business.

INTERLOCAL COOPERATION AGREEMENTS BETWEEN THE RDA AND VARIOUS ENTITIES FOR THE COLLECTION AND REMITTANCE OF INCREMENTAL PROPERTY TAXES COLLECTED FROM PROPERTY WITHIN THE BARNARD CREEK COMMUNITY DEVELOPMENT PROJECT AREA

Chair Russell thanked Blaine Lutz, Centerville Finance Director, for the work he has done on the Interlocal Cooperation Agreements. The agreements have been approved by the various taxing entities and are ready for RDA approval.

Director Allen made a **motion** to approve the interlocal agreements, or amendments, with the various taxing entities for the Barnard Creek Community Development Project Area as follows:

a. Approve Resolution No. 2013-06, a Resolution approving an Amendment to Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area;
b. Approve Resolution No. 2013-07, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Davis County School District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area;
c. Approve Resolution No. 2013-08, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Sewer District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area;
d. Approve Resolution No. 2013-09, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Mosquito Abatement District-Davis for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area;
e. Approve Resolution No. 2013-10, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and South Davis Recreation District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area;
f. Approve Resolution No. 2013-11, a Resolution approving an Interlocal Cooperation Agreement between the Redevelopment Agency of Centerville City and Weber Basin Water Conservancy District for the collection and remittance of incremental property taxes collected from property within the Barnard Creek Community Development Project Area.

The motion was seconded by Director Lindstrom and passed by unanimous vote (6-0).

At 6:49 p.m. Director Allen made a **motion** to adjourn the RDA meeting and reconvene after the regular City Council meeting. Vice Chair Higginson seconded the motion, which passed by unanimous vote (6-0).

The RDA meeting reconvened at 8:46 p.m.

LAND ROVER AMENDED PARTICIPATION AGREEMENT

In October of 2011 the RDA entered into a Participation Agreement with Land Rover. At that time Land Rover was considering expansion of their business and line of products in northern Utah. After the RDA agreed to participate with tax increment, Land Rover decided to expand in Centerville. Blaine Lutz, Finance Director, explained that delays have been encountered in progression of the project, and the new product lines have been slow to develop. Land Rover representatives met with staff and Jason Burningham, the RDA's financial consultant, earlier this year to propose amendments to the current Participation Agreement.

The intended outcomes of the Agreement for the RDA were: 1) keep Land Rover in Centerville; 2) encourage expansion and long-term commitment in Centerville; and 3) a "neutral" economic impact from the combined tax effects upon the City and the RDA. Staff recommends the RDA approve an amended Agreement, as Land Rover acted in good faith, and the intended outcomes of the Agreement have been met. Entering into an amended agreement would demonstrate the good faith, commitment, and partnership of the RDA and Centerville businesses.

Mr. Thacker stated that paragraph 4 of the Agreement has been revised to better communicate the intent. He also requested that approval be subject to the City receiving an acceptable bond to cover landscaping improvements that still need to be made.

Director Allen made a **motion** to approve the Amended Participation Agreement with Land Rover Centerville, including the revision to paragraph 4 presented by staff, and with the condition that the Agreement is not effective until an acceptable replacement bond relating to landscaping is received by the City. Director Lindstrom seconded the motion, which passed by unanimous vote (6-0).

ADJOURNMENT

Director Lindstrom made a **motion** to move back to regular Council meeting at 9:05 p.m. Director Wright seconded the motion, which passed by unanimous vote (6-0).

Ronald G. Russell, RDA Chair

1/7/14
Date Approved

Steve Thacker, RDA Executive Director

Katie Rust, Recording Secretary

REDEVELOPMENT AGENCY CORPORATE Seal OF CENTERVILLE CITY