

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

4
5 **MEMBERS PRESENT**

6 Justin Y. Allen, RDA of Centerville City/ACB Board Member (arrived at 6:25 p.m.)
7 Ken Averett, RDA of Centerville City
8 John T. Higginson, RDA of Centerville City Vice Chair/ACB Board Member
9 Sherri Lyn Lindstrom, RDA of Centerville City/ACB Board Member
10 Ronald G. Russell, RDA of Centerville City Chair/ACB Chair (Centerville City Mayor)
11 Lawrence Wright, RDA of Centerville City
12

13 **MEMBERS ABSENT**

14 Beth Holbrook, ACB Board Member (Bountiful City Councilwoman)
15 John Marc Knight, ACB Board Member (Bountiful City Councilman)
16

17 **STAFF PRESENT**

18 Steve Thacker, RDA Executive Director
19 Blaine Lutz, Centerville Finance Director
20 Lisa Romney, Centerville City Attorney
21 Jansen Davis, CPT Executive Director
22 David Baugh, CPT Board Member
23 Katie Rust, Recording Secretary
24

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

27
28 Lisa Romney, Centerville City Attorney, explained the proposed changes to the Lease
29 Agreement for the Performing Arts Center. Amendment No. 7 changes the deadline for
30 payment of Variable Rent from January 31 to June 30, changes the Minimum MRF
31 Contributions from quarterly to annually due on June 30, and sets the due date of June 30, 2015
32 for the remaining Construction Cost Obligation. Action on this matter was postponed until later
33 in the meeting.
34

35 **REVIEW THIRD QUARTER 2013 FINANCIAL REPORT FOR CENTERPOINT**
36 **LEGACY THEATRE**

37
38 Jansen Davis, CPT Executive Director, explained the Third Quarter 2013 Financial
39 Report for CenterPoint Legacy Theatre. At the September 3, 2013 RDA-ACB meeting, staff
40 reported that after paying \$177,000 toward the Construction Cost Obligation, \$115,293 in net
41 assets from 2012 operations remained to be split equally between the Operations Reserve Fund
42 (ORF) and the Maintenance Reserve Fund (MRF). A motion was made and passed on
43 September 3rd to split the \$115,293 equally between the two funds. Steve Thacker, RDA
44 Executive Director, reported that since then staff has realized that the \$115,293 was actually
45 part of the \$177,000. The \$177,000 has been paid, but there is not a remaining balance of
46 \$115,293 to split between the ORF and the MRF. Approximately \$14,000 (1% of the annual
47 revenue) has been transferred to the MRF to meet the minimum lease obligations. The MRF
48 currently has a balance of approximately \$92,000. The ORF balance remains unchanged. Mr.
49 Thacker requested a motion to revise the action taken at the September 3, 2013 meeting. The
50 \$177,000 paid toward construction costs was transferred to the Theatre Reserve Fund (in
51 accordance with direction given in the September 3 RDA/ACB meeting) to be under the control
52 of the RDA.
53

54 Director Lindstrom made a **motion** to authorize a deposit satisfying the lease
55 requirement of 1% of annual revenues into the MRF (\$13,917.61), correcting the amounts

1 mistakenly reported and acted upon on September 3, 2013. Vice Chair Higginson seconded
2 the motion, which passed by unanimous vote of the RDA (5-0). ACB action was postponed until
3 later in the meeting.

4
5 **REVIEW 2014 BUDGET FOR CENTERPOINT LEGACY THEATRE, INCLUDING**
6 **FACILITIES MAINTENANCE BUDGET**
7

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

14
15 Director Allen arrived at 6:25 p.m. Mr. Thacker stated he is confident that the proposed
16 Facilities Budget is reasonable. With each year of experience the budget can be predicted with
17 greater accuracy. Long-term maintenance needs have been identified. Director Wright
18 emphasized the need to have a plan in place to pay for needed maintenance. Mr. Thacker
19 agreed to incorporate these long-term maintenance needs into a plan that compares projected
20 costs with projected reserve funds and review this in a future RDA/ACB meeting. Mr. Davis
21 reported that the recent small fire in the facility was caught quickly and has been completely
22 cleaned up.

23
24 Vice Chair Higginson made a **motion** to approve the 2014 Facilities Budget as
25 presented by staff. Director Lindstrom seconded the motion, which passed by unanimous vote
26 of the RDA (6-0).

27
28 **APPROVAL OF AMENDMENT NO. 7 TO THE LEASE AGREEMENT**
29

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

33
34 Director Averett made a **motion** to approve Amendment No. 7 to the Lease Agreement
35 of the Performing Arts Center. Vice Chair Higginson seconded the motion, which passed by
36 unanimous vote of the RDA (6-0).

37
38 **MOTION TO CORRECT ACTION TAKEN ON SEPTEMBER 3, 2013**
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40 Mr. Thacker briefly explained to Director Allen the need to correct action taken on
41 September 3rd regarding allocation of funds to the MRF and ORF. Director Lindstrom made a
42 **motion** to approve the transfer of 1% of the annual revenues (\$13,917.61) to the MRF as per
43 the Lease Agreement, correcting the action taken on September 3, 2013 to divide \$115,293
44 between the ORF and the MRF. Director Higginson seconded the motion, which passed by
45 unanimous vote of the ACB (4-0).

46
47 Vice Chair Higginson asked if Mr. Davis is concerned that funds were not added to the
48 ORF. Mr. Davis responded he is not concerned. When the construction debt is taken care of
49 more funds will be available. A possible purchase of the naming rights would increase the
50 balance of both the ORF and the MRF. Chair Russell added that the Theatre operates with a
51 minimum number of staff members who are working for very little, as well as a lot of volunteer
52 labor. He expressed the hope that greater compensation will be possible as growth occurs.

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

3
4 **INTERLOCAL COOPERATION AGREEMENTS BETWEEN THE RDA AND VARIOUS**
5 **ENTITIES FOR THE COLLECTION AND REMITTANCE OF INCREMENTAL PROPERTY**
6 **TAXES COLLECTED FROM PROPERTY WITHIN THE BARNARD CREEK COMMUNITY**
7 **DEVELOPMENT PROJECT AREA**
8

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

12
13 Director Allen made a **motion** to approve the interlocal agreements, or amendments,
14 with the various taxing entities for the Barnard Creek Community Development Project Area as
15 follows:
16

- 17 a. Approve Resolution No. 2013-06, a Resolution approving an Amendment to
18 Interlocal Cooperation Agreement between the Redevelopment Agency of
19 Centerville City and Davis County for the collection and remittance of incremental
20 property taxes collected from property within the Barnard Creek Community
21 Development Project Area;
- 22 b. Approve Resolution No. 2013-07, a Resolution approving an Interlocal Cooperation
23 Agreement between the Redevelopment Agency of Centerville City and Davis
24 County School District for the collection and remittance of incremental property taxes
25 collected from property within the Barnard Creek Community Development Project
26 Area;
- 27 c. Approve Resolution No. 2013-08, a Resolution approving an Interlocal Cooperation
28 Agreement between the Redevelopment Agency of Centerville City and South Davis
29 Sewer District for the collection and remittance of incremental property taxes
30 collected from property within the Barnard Creek Community Development Project
31 Area;
- 32 d. Approve Resolution No. 2013-09, a Resolution approving an Interlocal Cooperation
33 Agreement between the Redevelopment Agency of Centerville City and Mosquito
34 Abatement District-Davis for the collection and remittance of incremental property
35 taxes collected from property within the Barnard Creek Community Development
36 Project Area;
- 37 e. Approve Resolution No. 2013-10, a Resolution approving an Interlocal Cooperation
38 Agreement between the Redevelopment Agency of Centerville City and South Davis
39 Recreation District for the collection and remittance of incremental property taxes
40 collected from property within the Barnard Creek Community Development Project
41 Area;
- 42 f. Approve Resolution No. 2013-11, a Resolution approving an Interlocal Cooperation
43 Agreement between the Redevelopment Agency of Centerville City and Weber Basin
44 Water Conservancy District for the collection and remittance of incremental property
45 taxes collected from property within the Barnard Creek Community Development
46 Project Area.

47
48 The motion was seconded by Director Lindstrom and passed by unanimous vote (6-0).
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50 At 6:49 p.m. Director Allen made a **motion** to adjourn the RDA meeting and reconvene
51 after the regular City Council meeting. Vice Chair Higginson seconded the motion, which
52 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.

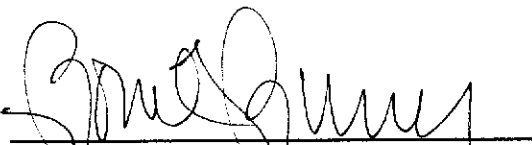
The intended outcomes of the Agreement for the RDA were: 1) keep Land Rover in Centerville; 2) encourage expansion and long-term commitment in Centerville; and 3) a "neutral" economic impact from the combined tax effects upon the City and the RDA. Staff recommends the RDA approve an amended Agreement, 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).



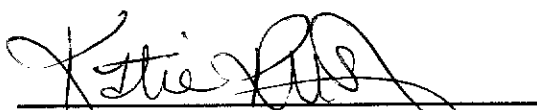
Ronald G. Russell, RDA Chair

4/7/14

Date Approved



Steve Thacker, RDA Executive Director



Katie Rust, Recording Secretary

