REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON APRIL 19, 2022 AT CENTERVILLE CITY HALL, 250 NORTH MAIN STREET, CENTERVILLE, UTAH.

Centerville Redevelopment Agency meetings are open to the public, unless otherwise closed for reasons allowed by law. Centerville Redevelopment Agency meetings may be conducted via electronic means pursuant to Utah Code § 52-4-207. In compliance with the Americans with Disabilities Act, individuals needing special accommodations due to a disability may contact the City Recorder at (801) 295-3477, at least 24 hours in advance of the meeting. The Agency reserves the right to modify the sequence of agenda items in order to facilitate special needs or provide greater efficiency.

The full agenda packet and backup materials can be found on the Centerville City website at:
https://centervilleutah.gov/129/Agendas-Minutes

A. ROLL CALL

B. BUSINESS ITEMS

Business action or discussion items to be considered.

1. Legacy Crossing Theatre, LLC - Discuss Possible Amendment to Tax Increment Agreement for Development of Land
   Discuss a request made by Legacy Crossing Theatre, LLC company for the RDA Board to amend their agreement to allow the RDA to have the discretion to remit a tax increment payment if a condition is not met due to COVID-19 related reasons for the Tax Increment Subsidy Year 2021.

C. MINUTES

Minutes of prior meetings may be reviewed and accepted. Minutes review and approval shall comply with the Centerville City Minutes Approval Policy.

1. Minutes Review and Approval
   April 5, 2022 RDA Minutes

D. ADJOURNMENT

CERTIFICATE OF POSTING

I hereby certify that this notice and agenda was posted at Centerville City Hall, published on the Utah Public Notice Website, and provided to a newspaper or media correspondent in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

Jennifer Hansen
Centerville City Recorder

REDEVELOPMENT AGENCY

Staff Report

4/19/2022

Item No. 1.

Title: Legacy Crossing Theatre, LLC - Discuss Possible Amendment to Tax Increment Agreement for Development of Land

Initiated By: Dan Bridenstine
Legacy Crossing Theatre
LLC

Staff Representative: Jacob Smith, Administrative Services Director

SUBJECT:

Discuss a request made by Legacy Crossing Theatre, LLC company for the RDA Board to amend their agreement to allow the RDA to have the discretion to remit a tax increment payment if a condition is not met due to COVID-19 related reasons for the Tax Increment Subsidy Year 2021.

RECOMMENDATION:

BACKGROUND:

The RDA entered into an agreement with the Legacy Crossing Theatre, LLC company in September 2010. Per the agreement (2.1 (B)), the Megaplex must have a minimum of 500,000 theater tickets sold to be eligible to receive their tax increment payment. For tax year 2020, the theater was ordered to close due to the pandemic and were not able to sell 500,000 tickets. The RDA approved an amendment to allow for the remittance of tax increment due to the pandemic. The language was very specific that the condition was waived due to the pandemic in 2020.

For 2021, Legacy Crossing Theatre LLC has suffered from a loss in sales again due to the pandemic. Ticket sales have not picked up enough yet. As such, they are requesting the condition of 500,000 theater tickets sold be waived again for tax year 2021.

Dan Bridenstine is present to discuss his request for the RDA Board to have the discretion to remit a tax increment payment if a condition is not met due to COVID-19 related reasons for the Tax Increment Subsidy Year 2021.

ATTACHMENTS:

1. Legacy Crossing Theatre, LLC - Amendment No. 1 to Agreement for Development of Land (ADL)

**AMENDMENT NO. 1 TO
AGREEMENT FOR DEVELOPMENT OF LAND (ADL)
BY AND BETWEEN THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, A PUBLIC ENTITY, AND LEGACY CROSSING THEATRE, LLC, A UTAH LIMITED LIABILITY COMPANY**

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA
CENTERVILLE CITY, UTAH

THIS AMENDMENT NO. 1 TO AGREEMENT FOR DEVELOPMENT OF LAND ("Amendment No. 1") is made and entered into as of the 18 day of May, 2021, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY,** a governmental entity organized under the laws of the State of Utah (the "Agency"), and **LEGACY CROSSING THEATRE, LLC,** a Utah limited liability company (the "Developer"). The Agency and Developer may be referred to in this Amendment No. 1 as a "Party" or collectively as the "Parties."

RECITALS

A. WHEREAS, the Parties previously entered into that certain Agreement for Development of Land dated September 21, 2010 ("Agreement for Development of Land"), regarding tax increment related to the development of the Legacy Crossing at Parrish Lane project located at the southeast corner of 1250 West and Parrish Lane in Centerville City, Davis County, State of Utah; and

B. WHEREAS, the Parties desire to amend the Agreement for Development of Land to address Developer's failure to meet annual performance criteria and to provide discretion for the Agency to allow distribution of tax increment under limited certain circumstances even if performance criteria are not met as more particularly described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Amendment.

2. **Amendment to Section 2.2.** Section 2.2 of the Agreement for the Development of Land regarding "Developer's Failure to Meet the Conditions Precedent" is hereby amended and restated in its entirety as follows:

2.2 Developer's Failnre to Meet the Conditions Precedent. Except as otherwise provided herein, in ~~In~~ the event ~~that~~ the Developer fails to perform any term, covenant, or condition precedent described in Subparagraphs (A), (B), (C), and/or (D) of Section 2.1

dnring any Tax Increment Year, ~~then~~ the Agency shall have no obligation to pay the Developer the annual Tax Increment Subsidy available for such Tax Increment Year and the Tax Increment Subsidy amount available for such Tax Increment Year shall be retained by the Agency and used at its discretion. The Agency, in its sole discretion may make an exception to this provision to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent set forth in Section 2.1. The Developer shall be required to provide to the Agecny sufficient written evidence of COVID-19 related reduction in annual ticket sales or other required conditions precedent. The Agency may grant such exception by motion and majority vote of Agency members.

3. **Amendment to Section 2.4.** Section 2.4 of the Agreement for the Development of Land regarding "Reduction of the Tax Increment Subsidy in Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements" is hereby amended and restated in its entirety as follows:

2.4 Reduction of the Tax Increment Subsidy In Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements.

(A) Except as otherwise provided herein, in ~~In~~ the event of a failure of the Developer to meet the conditions precedent or othereligibility requirements and this Agreement has not been terminated pursuant to Article 8, then the Tax Increment Subsidy shall be reduced as follows:

In any Tax Increment Year during the Tax Increment Subsidy Period in which the Developer has not met all of the conditions precedent or other requirements set forth in this Agreement for eligibility to receive the Tax Increment Subsidy payment(s), then the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that Tax Increment Year shall not be paid to the Developer and shall be retained by the Agency for other Agency purposes, and the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that yearshall be subtracted from the applicable Not To Exceed Amount Of Tax Increment Subsidy to be paid to the Developer and the difference shall be the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy." For example, if the Developer had initially qualified for the maximum Not To Exceed Amount Of Tax Increment Subsidy of $3,574,000, and if there would have been $200,000 of Tax Increment money available to pay the Developer as the Tax Increment Subsidy payment for Tax Increment Year 2012, but the Developer was not eligible to receive payment of the Tax Increment Subsidy because the Developer had failed to meet one or more of the above conditions precedent, then the "Not To Exceed Amount Of Tax Increment Subsidy" would be reduced by subtracting the sum of $200,000 (the amount of Tax Increment that would have been available to pay the Tax

Increment Subsidy) from the "Not To Exceed Amount OfTax Increment Subsidy" of $3,574,000, and the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy" shall be the sum of $3,374,000 (i.e., $3,574,000 - $200,000 = $3,374,000), which would be the new maximum "Not To Exceed Amount Of Tax Increment Subsidy" for purposes of this Agreement.

Each year during the Tax Increment Subsidy Period that the Developer is not eligible to receive the Tax Increment Subsidy and provided this Agreement has not been terminated pursuant to Article 8, the Tax Increment Subsidy shall not be paid to the Developer and, in addition, the "Not To Exceed Amount Of Tax Increment Subsidy" shall be reduced by subtracting the amount of Tax Increment that would have been available to pay the Tax Increment Subsidy from the "Not To Exceed Amount Of Tax Increment Subsidy" as originally determined, or as the amount may have been reduced pursuant to the provisions of this Subparagraph (A).

(B) The Agency shall have no obligation to pay to the Developer any amount of Tax Increment Subsidy in excess of the amended, reduced or adjusted "Not To Exceed Amount Of Tax Increment Subsidy".

~~(B)~~(C) In the event the Agency grants an exception to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent as more particularly set forth in Section 2.2, the provisions of Section 2.4 regarding reduction of the "Not to Exceed Amount of Tax Increment Subsidy" shall not apply to such portion of eligible annual Tax Increment Subsidy distributed to the Developer for the Tax Increment Year 2020. Any eligible Tax Increment Subsidy not distributed to Developer for the Tax Increment Year 2020 for failure to meet conditions precedent shall be subject to the provisions of Section 2.4.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS HEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

"AGENCY"

ATTEST:

REDEVELOPMENT AGENCY OF CENTERVILLE CITY

Brant Hanson
Brant Hanson, Executive Director

By: Clark A. Wilkinson
Chair Clark A. Wilkinson

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the 3rd day of June, 2021, personally appeared before me Clark A. Wilkinson, who being duly sworn, did say that he is the Director of **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity under the laws of the State of Utah, and that the foregoing instrument was signed on behalf of the Redevelopment Agency of Centerville City by authority of its Board of Directors and the undersigned acknowledged to me that the Agency executed the same.

Tricia Gallagher
Notary Public

My Commission Expires:
April 11, 2023

Residing at:
Davis County, Utah

TRICIA GALLAGHER
Notary Public, State of Utah
Commission # 705727
My Commission Expires On
April 11, 2023

"DEVELOPER"

LEGACY CROSSING THEATERS, LLC

By: [signature]

Its: Manager

STATE OF Utah)
:ss
COUNTY OF Davis)

On the 27 day of May, 2021, personally appeared before me Kevin S Garn, who being duly sworn, did say that (s)he is the Manager of **LEGACY CROSSING THEATERS, LLC**, and that the foregoing instrument was signed on behalf of said company by authority of its members and duly acknowledged to me that said company executed the same.

AMY THOMAS
Notary Public - State of Utah
Comm. No. 712660
My Commission Expires on
Aug 14, 2024

Amy Thomas
Notary Public

My Commission Expires:
8/14/2024

Residing at:
Davis County

REDEVELOPMENT AGENCY

Staff Report
4/19/2022

Item No. 1.

Title: Minutes Review and Approval

Initiated By:

Staff Representative:

SUBJECT:

April 5, 2022 RDA Minutes

RECOMMENDATION:

BACKGROUND:

ATTACHMENTS:

1. 4-5-22 RDA Minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, April 5, 2022 at 5:30 p.m. with participants present at Centerville City Hall, 250 North Main Street, and via Zoom.

DIRECTORS PRESENT	Gina Hirst William Ince Robyn Mecham Spencer Summerhays Clark Wilkinson, Chair
DIRECTOR ABSENT	George McEwan
STAFF PRESENT	Brant Hanson, RDA Executive Director Lisa Romney, City Attorney Jennifer Hansen, City Recorder Nate Plaizier, Finance Director Bryce King, Recreation Coordinator Jacob Smith, Administrative Services Director Cory Snyder, Community Development Director Mike Carlson, Public Works Director Bruce Cox, Parks and Recreation Director Kevin Campbell, City Engineer
VISITORS	Jansen Davis, CPT Executive Director Jason Burningham, Lewis Young Robertson & Burningham Spencer Young, Young Automotive Group

CENTERPOINT THEATRE LIGHTING ALTERATIONS

Jansen Davis, CPT Executive Director, explained the requested lighting alterations, and said he did not anticipate it being a large project. Redevelopment Agency authorization was needed, and the cost would be paid by CPT.

Director Summerhays **moved** to authorize written approval for CPT to make lighting alternations as described in the staff report. Director Ince seconded the motion, which passed by unanimous vote (4-0).

INTERLOCAL AGREEMENTS – PORTER-WALTON CRA – PARTICIPATING ENTITIES AND RDA

Administrative Services Director Jacob Smith explained Young Powersports had initiated redevelopment of property located along South Frontage Road, and had put together a pro forma showing the need for financial assistance. He said the RDA had been working with Lewis Young Robertson Burningham to create the Porter-Walton CRA to assist Young Powersports with their request. Jason Burningham with Lewis Young Robertson & Burningham presented Interlocal Agreements prepared to allow the RDA and taxing entities to receive a portion (proposal was for 50%) of the property tax increment normally remitted to that taxing entity. The tax increment would then be used to directly benefit the project area, specifically Young Powersports.

Mr. Burningham presented an analysis and explained requested participation from taxing entities of 50%, with Centerville City participation involving 50% sales tax participation for five years, and 50% property tax participation for the 15-year life of the CRA. He commented that Davis County taxing entities were generally very supportive and cooperative. Mr. Burningham presented estimated property tax increment and sales tax increment values. He showed a comparison of development expenses at the Centerville site versus a location in Ogden City considered by Young Powersports, with the Ogden location costing an estimated $12,469,325 less than the Centerville site. He spoke of benefits to Davis County if the project remained in Centerville, and described the tax increment participation as an incentive for Young Powersports to stay in Davis County. Mr. Burningham presented an estimated net benefit of tax increment participation to the City of $5,637,637, and a total estimated net benefit to the taxing entities of $8,800,228.

Mr. Burningham answered questions from the Directors. City Attorney Lisa Romney explained the assignment clause of the agreement, and said she was satisfied with the language. Mr. Burningham commented that the facility would be very much a single-purpose facility.

Spencer Young with Young Automotive Group said he liked the Centerville site, and expressed confidence in the future revenue of the business.

Director Ince **moved** to adopt Resolution No. 2022-01 as presented. Director Summerhays seconded the motion, which passed by unanimous vote (4-0).

PARTICIPATION AGREEMENT – PORTER-WALTON CRA – YPCBRE, LLC (YOUNG POWERSPORTS) AND RDA

Mr. Burningham said he believed the Participation Agreement provided incentive for Young Powersports to perform. Director Ince **moved** to approve the Participation Agreement between YPCBRE, LLC and the RDA for the Porter-Walton CRA. Director Mecham seconded the motion, which passed by unanimous vote (4-0).

MINUTES REVIEW AND ACCEPTANCE

Minutes of the January 18, 2022 RDA meeting were reviewed. Director Ince **moved** to accept the minutes. Director Summerhays seconded the motion, which passed by unanimous vote (4-0).

ADJOURNMENT

At 6:27 p.m., Director Summerhays **moved** to adjourn the RDA meeting. Director Ince seconded the motion, which passed by unanimous vote (4-0).

______________________________ ____________________
Brant T. Hanson, RDA Executive Director Date Approved