REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON MAY 3, 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. Public Hearing - FY 2023 Tentative Budget
   a. Presentation of FY 2023 RDA Proposed Budget
   b. Adopt FY 2023 RDA Proposed Budget as FY 2023 RDA Tentative Budget and set the date for the public hearing.
2. Amendment No. 2 to Agreement to Development of Land - Legacy Crossing Theatre, LLC
   Consider Amendment 2 to the Agreement for Development of Land by and Between the RDA and Legacy Crossing Theatre, LLC

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 19, 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

5/3/2022

Item No. 1.

Title: Public Hearing - FY 2023 Tentative Budget

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

a. Presentation of FY 2023 RDA Proposed Budget
b. Adopt FY 2023 RDA Proposed Budget as FY 2023 RDA Tentative Budget and set the date for the public hearing.

RECOMMENDATION:

Adopt the FY 2023 Proposed Budget for the Centerville City Redevelopment Agency as the FY 2023 Tentative Budget and set the date and time for public hearing of the Final RDA Budget for June 7, 2022 at 5:30 PM.

BACKGROUND:

Similar to the process for adopting the City's annual budget, the RDA Board needs to adopt a Tentative Budget and set a public hearing date to receive comment before adopting a Final Budget. The RDA Proposed Budget will be a part of the City's Proposed Budget document provided on the May 3, 2022 City Council agenda.

ATTACHMENTS:

1. FY 2022-2023 RDA Tentative Budget

RDA
SUMMARY BY FUND
FY 2021/22 BUDGET

	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 6 MONTH ACTUAL	2021/22 12 MONTH ESTIMATE	2021/22 BUDGET	**2022/23** DEPARTMENT REQUEST	**2022/23** TENTATIVE	**2022/23** ADOPTED
REDEVELOPMENT AGENCY								
REVENUES	$1,812,328	$1,803,227	$67,444	$1,763,457	$1,951,600	$1,583,148	$1,576,882	$0
OPERATING EXPENDITURES	$663,322	$863,229	$202,317	$801,783	$1,006,600	$668,148	$664,459	$0
CAPITAL EXPENDITURES	$0	$0	$0	$0	$557,000	$527,000	$527,000	$0
SUB TOTAL - EXPENDITURES	$663,322	$863,229	$202,317	$801,783	$1,563,600	$1,195,148	$1,191,459	$0
TOTAL REVENUES	$1,812,328	$1,803,227	$67,444	$1,763,457	$1,951,600	$1,583,148	$1,576,882	$0
TOTAL EXPENDITURES	$663,322	$863,229	$202,317	$801,783	$1,563,600	$1,195,148	$1,191,459	$0

REDEVELOPMENT AGENCY
FY 2022/23 BUDGET

		2019/20 ACTUAL	2020/21 ACTUAL	2021/22 6 MONTH ACTUAL	2021/22 12 MONTH ESTIMATE	2021/22 BUDGET	2022/23 DEPARTMENT REQUEST	2022/23 TENTATIVE	2022/23 ADOPTED	CHANGE
	USE OF FUND BALANCE						356,918	350,652		
20-31-100000	TAX INCREMENT - PARRISH LANE	1,038,410	1,057,693	0	1,115,893	1,300,000	580,000	580,000		-55%
20-31-150000	TAX INCREMENT - LEGACY XING	309,425	316,301	0	317,104	350,000	350,000	350,000		0%
20-31-160000	TAX INCREMENT - BARNARD CREEK	141,660	145,055	0	225,197	200,000	200,000	200,000		0%
20-36-100000	MISCELLANEOUS REVENUE	4,729	18,582	530	1,060	3,600	3,600	3,600		0%
20-36-870000	INSURANCE REIMBURSEMENT	0	0	11,840	11,840	0	0	0		0%
20-38-750000	LEASE PAYMENT	81,926	23,838	55,074	92,363	98,000	92,630	92,630		-5%
20-31-200000	PROPERTY TAX - ADDITIONAL	236,178	241,758	0	0	0	0	0		0%
	TOTAL RDA REVENUES	1,812,328	1,803,227	67,444	1,763,457	1,951,600	1,583,148	1,576,882	0	-19%
	EXPENDITURES									
20-4000-210.0	PUBLIC NOTICES	0	0	0	0	100	100	100		0%
20-4000-310.0	PROFESSIONAL SERVICES	11,686	29,305	19,134	35,000	27,000	27,000	27,000		0%
20-4000-315.0	TRF - ELIGIBLE EXPENSES	15,155	163,549	0	0	1,000	1,000	1,000		0%
20-4000-316.0	ENGINEERING	0	0	0	1,575	1,000	1,000	1,000		0%
20-4000-420.0	OTHER OBLIGATIONS	8,300	0	9,634	9,634	224,393	0	0		-100%
20-4000-423.0	CONTRACTUAL - DAYTON WEST	124,952	121,335	0	128,500	128,500	0	0		-100%
20-4000-425.0	CONTRACTUAL - LAND ROVER	39,943	0	0	0	0	0	0		0%
20-4000-430.0	CONTRACTUAL - LEGACY CROSSING	176,328	203,867	0	210,000	210,000	205,000	210,000		0%
20-4000-435.0	CONTRACTUAL - RIMINI	0	20,041	0	35,960	23,000	30,000	36,000		57%
20-4000-440.0	CONTRACTUAL - BARNARD CREEK	33,930	36,526	0	32,634	38,000	40,000	33,000		-13%
20-4000-445.0	CONTRACTUAL - H S LLC	18,149	18,711	0	16,954	19,000	19,000	17,000		-11%
20-4000-480.0	MISC SUPPLIES	817	25	2,000	4,000	5,000	5,000	5,000		0%
20-4000-511.0	INSURANCE - LIABILITY AND PROPERTY	15,614	21,251	17,719	17,719	22,000	23,320	23,320		6%
20-4710-810.0	AFFORDABLE HOUSING TRANSFER TO GF	32,436	34,194	17,526	37,200	35,000	40,000	40,000		14%
20-4000-620.0	ADMINISTRATIVE SERVICES	186,011	214,425	136,304	272,607	272,607	276,728	271,039		-1%
	SUBTOTAL	663,322	863,229	202,317	801,783	1,006,600	668,148	664,459	0	-34%
TRANSFER TO OTHER FUND										
20-4710-830.0	TRANSFER - ADDITIONAL INCREM	236,178	231,219	194,000	388,000	388,000	388,000	385,423		-1%
20-4710-840.0	TRANSFER - DEBT RETIREMENT	592,963	593,163	0	0	0	0	0		0%
20-4710-860.0	TRANSFER - PARK	0	350,000	0	0	0	0	0		0%
	SUBTOTAL	829,141	1,174,382	194,000	388,000	388,000	388,000	385,423	0	-1%
CAPITAL PROJECTS										
20-5000-100.0	TRAFFIC SIGNAL - MARKETPLACE and 400 W	0	0	0	0	487,000	487,000	487,000		0%
20-5000-150.0	RDA IMPROVEMENTS - Economic Development	0	0	0	0	70,000	40,000	40,000		-43%
	SUBTOTAL	0	0	0	0	557,000	527,000	527,000	0	-5%
	TOTAL RDA EXPENDITURES	1,492,463	2,037,611	396,317	1,189,783	1,951,600	1,583,148	1,576,882	0	-19%
	EXCESS REVENUES OVER (UNDER) EXPENDITURES	319,865	-234,384	-328,873	573,674	0	0	0	0	

REDEVELOPMENT AGENCY

Staff Report

5/3/2022

Item No. 2.

Title: Amendment No. 2 to Agreement to Development of Land - Legacy Crossing Theatre, LLC

Initiated By: Jacob Smith, Administrative Services Director

Staff Representative: Jacob Smith, Administrative Services Director

SUBJECT:

Consider Amendment 2 to the Agreement for Development of Land by and Between the RDA and Legacy Crossing Theatre, LLC

RECOMMENDATION:

Approve Amendment 2 to the Agreement for Development of Land by and Between the RDA and Legacy Crossing Theatre, LLC

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.

Staff has prepared an amendment to the agreement with Legacy Crossing Theatre, LLC allowing 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. Amendment No. 2 to Agreement for Development of Land - Legacy Crossing Theatre, LLC

AMENDMENT NO. 2 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. 2 TO AGREEMENT FOR DEVELOPMENT OF LAND ("Amendment No. 2") is made and entered into as of the _____ day of May, 2022, 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. 2 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 Failure to Meet the Conditions Precedent. Except as otherwise provided herein, in the event the Developer fails to perform any term, covenant, or condition precedent described in Subparagraphs (A), (B), (C), and/or (D) of Section 2.1

during any Tax Increment Year, 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 and/or 2021 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 Agency 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 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".

(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 and/or 2021 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 and/or 2021. 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, Executive Director

By: ______________________________
Chair Clark A. Wilkinson

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the _____ day of _____________________, 20_____, 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.

____
Notary Public

My Commission Expires:

Residing at:

_____________________________ ______________________________________

"DEVELOPER"

LEGACY CROSSING THEATERS, LLC

By: ___________________________________

Its: ___________________________________

STATE OF _________)
:ss
COUNTY OF _________)

On the _____ day of _____________, 20______, personally appeared before me _____________________________, who being duly sworn, did say that (s)he is the ___________________________ 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.

____
Notary Public

My Commission Expires: Residing at:

________________________________ _______________________________________

REDEVELOPMENT AGENCY

Staff Report

5/3/2022

Item No. 1.

Title: Minutes Review and Approval

Initiated By:

Staff Representative: Jennifer Hansen, City Recorder

SUBJECT:

April 19, 2022 RDA Minutes

RECOMMENDATION:

Approve minutes as presented

BACKGROUND:

ATTACHMENTS:

1. 4-19-22 RDA minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, April 19, 2022 at 5:30 p.m. with participants present at Centerville City Hall, 250 North Main Street, and via Zoom.

DIRECTORS PRESENT	Gina Hirst (arrived at 5:41 p.m.)
	William Ince
	George McEwan
	Robyn Mecham
	Spencer Summerhays
	Clark Wilkinson, Chair
STAFF PRESENT	Brant Hanson, RDA Executive Director
	Lisa Romney, City Attorney
	Jennifer Hansen, City Recorder
	Nate Plaizier, Finance Director
	Jacob Smith, Administrative Services Director
	Cory Snyder, Community Development Director
	Mike Carlson, Public Works Director
	Dave Walker, Deputy Public Works Director
	Kevin Campbell, City Engineer
VISITOR	Dan Bridenstine, Legacy Crossing Theatre, LLC

LEGACY CROSSING THEATRE, LLC – DISCUSS POSSIBLE AMENDMENT TO TAX INCREMENT AGREEMENT FOR DEVELOPMENT OF LAND

The RDA entered into a tax increment agreement with the Legacy Crossing Theatre, LLC company in September 2010. Per the agreement, 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 for that year specifically due to the pandemic.

Administrative Services Director Jacob Smith explained that for 2021, Legacy Crossing Theatre, LLC again suffered from a loss in sales due to the pandemic. Ticket sales reached 354,800, and they were requesting the condition of 500,000 theater tickets sold be waived again for tax year 2021.

Dan Bridenstine with Legacy Crossing Theatre, LLC reported that, although the number of tickets sold was down, total revenue generated through the Megaplex in 2021 was $5,290,000, due to increased ticket and concessions prices. He said he believed they met the mark for release of tax increment funds. Mr. Bridenstine said a contracted analyst predicted the Legacy Crossing Megaplex would sell 463,000 tickets in 2022 based on expected Hollywood releases. He said the biggest disadvantage for the Centerville Megaplex location compared to other Megaplex locations had been the lack of ability to attract restaurants. However, the Legacy Crossing Megaplex was always in the top four in terms of tickets sales out of all Megaplex locations in the state.

Responding to a question from Director Ince, Mr. Bridenstine said Legacy Crossing Theatre, LLC, as a landlord, needed the tax increment money to recover the debt cost of infrastructure for the asset. City Attorney Lisa Romney explained approval would involve a two-step process. The Board would first approve an amendment to the Tax Increment Agreement for Development of Land (ADL), adding tax year 2021 to the exception, and would then by motion decide what amount of tax increment to remit. The request from Legacy Crossing Theatre, LLC was to release the entire amount. Mr. Bridenstine repeated that he believed the Megaplex was a tremendous asset to the community, and emphasized the more than $5 million in revenue for 2021. He said it would be disappointing to not receive the full tax increment amount.

Director Ince said he agreed the Megaplex was an asset to the community, and proposed continuing with the full amount for tax year 2021. A majority of the RDA Board indicated they were in favor of moving forward with an amendment to the ADL for 2021. Director McEwan said he did not expect the RDA would approve an exception again next year.

MINUTES REVIEW AND ACCEPTANCE

Minutes of the April 5, 2022 RDA meeting were reviewed. Director Ince **moved** to accept the minutes. Director Hirst seconded the motion, which passed by unanimous vote (5-0).

ADJOURNMENT

At 5:56 p.m., Director Summerhays **moved** to adjourn the RDA meeting. Director Ince seconded the motion, which passed by unanimous vote (5-0).

_______________________________ ______________________
Brant T. Hanson, RDA Executive Director Date Approved