REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON SEPTEMBER 5, 2023 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. CenterPoint Theatre Gala
   Update on Centerpoint Theatre 2023 Fundraising Gala
2. Porter-Walton CRA Update
   Porter-Walton CRA Update

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
   June 6, 2023 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 Robison
Centerville City Recorder

REDEVELOPMENT AGENCY

Staff Report

9/5/2023

Item No. 1.
Title: CenterPoint Theatre Gala
Initiated By: Jansen Davis, Centerpoint Theatre
Staff Representative: Bryce King, Administrative Services Director

SUBJECT:

Update on Centerpoint Theatre 2023 Fundraising Gala

RECOMMENDATION:

BACKGROUND:

The Centerpoint Theatre fundraising gala will be held on October 27, 2023.

- 6:30 PM - mocktails/hors d'oeuvres and silent auction perusing
- 8:00 PM - season preview & program
- Tickets are $200.00 each

ATTACHMENTS:

REDEVELOPMENT AGENCY

Staff Report

9/5/2023

Item No. 2.
Title: Porter-Walton CRA Update
Initiated By: Nate Plaizier, Finance Director
Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Porter-Walton CRA Update

RECOMMENDATION:

BACKGROUND:

With the recent opening of Young Powersports, Staff wanted to give a reminder to the RDA Board of the existing budget and contract between the Porter-Walton CRA and Young Powersports.

In April 2022, Young Powersports and the RDA entered into a participation agreement. As part of this agreement, Young Powersports agreed to the following (in summary):

a) The Company must be open before December 31, 2023;
b) The Company must remain open for the duration of the Agreement (15 years);
c) The Company must make timely tax payments.

The RDA has agreed to the following Post-Performance Tax Incentives (in summary):

a) Annual incremental property tax payment
-The tax increment payments will be 87% of the incremental property tax revenue generated from the property and received by the RDA each year.
-The tax increment payments will continue until a reimbursement cap amount ($4,500,000) is reached, or the life of the project area (15 years), whichever comes first.

b) Annual sales tax payment
-The sales tax payments will be an amount equal to 50% of the point of sale sales tax received by the City each year.
-The sales tax payments will continue for a period of 5 years, or until a reimbursement cap amount ($4,500,000) is reached, whichever comes first.

It is also important to note that the RDA is required to use 10% of the project area's tax increment towards affordable housing, as required by State law.

The RDA staff anticipates triggering the tax increment for the tax year 2024. This would result in the RDA receiving tax increment payments in the Spring of 2025.

Young Powersports may trigger the sales tax payment at the time of their choosing within the first 3 years of operations.

ATTACHMENTS:

1. Res. No. 2021-06 Adopting Porter-Walton CRA Budget
2. YPCBRE LLC (Young Powersports) Participation Agreement

RESOLUTION NO. 2021-06

RESOLUTION OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY ADOPTING THE PROJECT AREA BUDGET FOR PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA

WHEREAS, the Redevelopment Agency of Centerville City (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, the Agency has adopted by Resolution the Porter-Walton Community Reinvestment Project Area Plan (the "Plan") for the Porter-Walton Community Reinvestment Project Area (the "Project Area"); and

WHEREAS, the Plan allows for the Agency to collect tax increment created within the Project Area to assist in the creation of jobs, to meet other goals and objectives as outlined in the Plan, to promote economic development, and provide a public benefit within Centerville City (the "City"); and

WHEREAS, the Agency has prepared a Project Area Budget in accordance with section 17C-5-303 of the Act.

WHEREAS, the Agency has held a public hearing on the draft Project Area Budget and at that hearing allowed public comment on the draft Project Area Budget and whether the draft Project Area Plan should be revised, approved or rejected; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Budget, and whether to revise, approve or reject the draft Project Area Budget;

NOW, THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY:

1. The Project Area Budget attached hereto as **Exhibit A**, and together with any changes to the draft Project Area Budget as may be indicated in the minutes of this meeting (if any), is hereby approved, and adopted on the 7th day of December 2021.

2. The Agency staff will include in the annual report, the taking of tax increment from the Porter-Walton Community Reinvestment Project Area beginning with the tax year before the Agency requests funding.

3. The Agency staff is authorized to finalize negotiations with the taxing entities that levy a certified rate in the Project Area, to participate with the Agency in the

implementation and funding of the Budget in accordance with Sections 17C-5-201, 202, 204, 205 and 206 of the Act.

Clark A. Wilkinson, RDA Chair

ATTEST:

Brant T. Hanson, RDA Executive Director

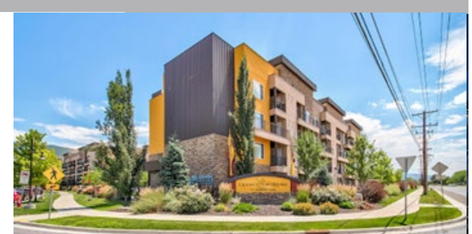
EXHIBIT A: PROJECT AREA BUDGET

PROJECT AREA BUDGET

PORTER-WALTON

COMMUNITY REINVESTMENT AREA (CRA)

REDEVELOPMENT AGENCY OF
CENTERVILLE CITY, UTAH



DECEMBER 2021

LEWIS YOUNG
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SECTION 1: INTRODUCTION

The Redevelopment Agency of Centerville City (the "Agency"), following thorough consideration of the needs and desires of Centerville City (the "City") and its residents, as well as understanding the City's capacity for new development, has carefully crafted the Project Area Plan (the "Plan") for the Porter-Walton Community Reinvestment Project Area (the "Project Area", or "CRA"). The Plan supports appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The Plan contemplates supporting the development of a powersports mall. The City has determined it is in the best interest of its residents to assist in the development of the Project Area. This **Project Area Budget** document (the "Budget") is predicated upon certain elements, objectives and conditions outlined in the Plan and is intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The creation of the Project Area is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area.

Utah Code §17C-5-303(4)

Besides this CRA, the Agency only has three project areas in existence, the Parrish Gateway RDA, Legacy Crossing CDA, and the Barnard Creek CDA. The Agency's incremental value is, therefore, based entirely on the incremental value of these three Project Areas. Once the CRA is created and generating increment, the incremental value generated by the CRA will contribute to the Agency's total incremental value.

SECTION 2: DESCRIPTION OF COMMUNITY REINVESTMENT PROJECT AREA

Utah Code §17C-5-303(6)

The Project Area lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road. The land is currently zoned commercial and is made up of mostly dilapidated commercial buildings. The Project Area is comprised of approximately 14.17 acres of land.

As delineated in the office of the Davis County Recorder, the Project Area encompasses all of the parcels detailed in Table 2.1. The Agency does not own any of the land contemplated to be included in the Project Area.

TABLE 2.1: PROJECT AREA PARCELS

Parcel Serial Number	Acres
03-001-0206	3.54
03-001-0038	1.67
03-001-0159	0.97
03-001-0171	6.61
03-001-0043	0.26
03-001-0202	0.52
03-001-0031	0.60
Total	**14.17**

A map of the Project Area is attached hereto in **EXHIBIT A**.

SECTION 3: GENERAL OVERVIEW OF PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan's vision and objectives. This plan of finance is an effort to outline the various construction costs related to private investment and public infrastructure needs that will facilitate the development of the Project Area. Through the investigation and survey process of the Project Area Plan, the Agency determined that tax increment financing is essential to meet the objectives of the Project Area. With the assistance of tax increment, the Agency will be able to revitalize and redevelop this highly visible and important section of the City.

The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

Utah Code §17C-5-303(1)(a)

Base Taxable Value (Base Year Value)

The Agency has determined that the base year property tax value ("Base Taxable Value") for the Project Area will be the total taxable value for the 2021 tax year which is estimated to be **$6,082,092**. Using the 2021 tax rates established within the Project Area the property taxes levied equate to $74,256 annually. Accordingly, this amount will continue to flow through to each taxing entity proportional to the amount of their respective tax rates being levied.

Utah Code §17C-5-303(1)(c)

Payment Trigger and Project Area Funds Collection Period

This Project Area Budget will have a ten-year (10) duration from the date of the first tax increment received by the Agency. The collection of tax increment (referred to as the "Project Area Funds Collection Period") will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the Project Area Funds Collection Period. The following year in which this tax increment will be remitted to the Agency will be Year 1, e.g., if requested prior to March 1, 2022, Year 1 of tax increment will be 2023. The Agency anticipates it will trigger the tax increment by March 1, 2023, but in no case will the Agency trigger the first tax increment collection after March 1, 2024.

Utah Code §17C-5-303(1)(b)

Projected Tax Increment Revenue – Total Generation

Development within the Project Area will commence upon favorable market conditions and the construction of required infrastructure. The Agency anticipates that new development will begin in the Project Area in 2022. Property tax increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and tax increment will actually be paid to the Agency in March or April after collection. It is projected that property tax increment generation within the Project Area could begin as early as 2023. The budgeting model estimates that during the 10-year life of the Project Area Budget, the Project Area will generate approximately $1.35M in incremental property tax revenues. This Project Area Budget and the Project Area Plan envision that 50% of the incremental property tax revenue will be necessary to fund redevelopment of the Project Area. A table illustrating how much incremental property tax revenue is contributed by each taxing entity can be found below (**Table 4.2**). This amount is over and above the $724,681 of base taxes that the property would generate over 10 years.

Utah Code §17C-5-303(1)(g)

The Project Area will sunset after the Project Area Funds Collection Period is completed (collection of tax increment for a 10-year period), or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area as outlined in the yet to be adopted interlocal agreements, whichever comes first.

SECTION 4: PROPERTY TAX INCREMENT

Base Year Property Tax Revenue

The taxing entities are currently receiving - and will continue to receive - property tax revenue from the current assessed value of the property within the Project Area ("Base Taxes"). The current assessed value of the Project Area is anticipated to be used for purposes of the Budget and Interlocal Agreements as the Base Taxable Value as defined in the Plan and Act. The current assessed value and proposed base taxable value is estimated to be $6,082,092. Based upon the tax rates in the area, the collective taxing entities are receiving $72,468 in property tax annually from this Project Area. This equates to approximately $724,681 over the ten-year life of the Project Area.

TABLE 4.1: TOTAL BASE YEAR TO TAXING ENTITIES (OVER 10 YEARS)

Entity	Total	NPV at 4%
Davis County	$87,278	$70,790
Davis County Library	19,402	15,737
Davis School District	464,793	376,989
Centerville City	72,803	59,049
Weber Basin Water Conservancy District	8,028	6,512
Mosquito Abatement District – Davis	6,021	4,884
South Davis Sewer District	18,003	14,602
South Davis Recreation District	12,772	10,360
South Davis Metro Fire Service Area	35,580	28,859
Total Revenue	**$724,681**	**$587,781**

Property Tax Increment to be Received by RDA (50% Participation Rate for 10 Years)

All taxing entities that receive property tax generated within the Project Area, as detailed above, will share at least a portion of that property tax increment generation with the Agency. This Budget contemplates that all taxing entities will contribute 50% of their respective tax increment for 20 years. **Table 4.2** shows the amount of Tax Increment to be received by the Agency assuming the participation levels discussed above.

Utah Code §17C-5-303(1)(f)

TABLE 4.2: SOURCES OF TAX INCREMENT FUNDS (PROPERTY TAX)

Entity	Percentage	Length	Total	NPV at 4%
Davis County	50%	10 Years	$79,624	$64,582
Davis County Library	50%	10 Years	32,072	26,013
Davis School District	50%	10 Years	424,034	343,930
Centerville City	50%	10 Years	66,418	53,871
Weber Basin Water Conservancy District	50%	10 Years	7,324	5,941
Mosquito Abatement District – Davis	50%	10 Years	5,493	4,456
South Davis Sewer District	50%	10 Years	16,424	13,322
South Davis Recreation District	50%	10 Years	11,652	9,451
South Davis Metro Fire Service Area	50%	10 Years	34,402	27,903
Total Sources of Tax Increment Funds			**$677,445**	**$549,468**

Uses of Tax Increment

Utah Code §17C-5-303(3)

Most of the tax increment (87%) will be used to facilitate the construction of required redevelopment costs to build a powersports mall. 10% of the project area's tax increment will go towards affordable housing, as outlined in the Act. The remaining 3% will be used to offset the administration costs of the Agency. The County will also use 3% of their 50% of tax increment for administration costs associated with the Project Area.

Utah Code §17C-5-303(5)

TABLE 4.3: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities @ 87%	$586,026	$475,320
CRA Housing Requirement @ 10%	67,744	54,947
Project Area Administration @ 3%	20,323	16,484
County Administration @ 3% (County's Funds Only)	3,351	2,718
Total Uses of Tax Increment Funds	**$677,445**	**$549,468**

A multi-year projection of tax increment is including in **EXHIBIT B**.

Total Annual Property Tax Revenue for Taxing Entities at Conclusion of Project

As described above, the collective taxing entities are currently receiving approximately $72,468 in property taxes annually from this Project Area. If the Agency does not support the development's need for assistance with the redevelopment costs, it is unlikely that these developments will take place and the property will remain underutilized and dilapidated.

At the end of the life of the Project Area, the taxing entities will receive 100-percent of their respective tax increment. **Table 4.5** illustrates the property taxes that will be paid at the conclusion of the Project Area.

TABLE 4.4: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL PROPERTY TAXES

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Davis County	$8,728	$15,925	$24,653
Davis County Library	1,940	6,414	8,355
Davis School District	46,479	84,807	131,286
Centerville City	7,280	13,284	20,564
Weber Basin Water Conservancy District	803	1,465	2,268
Mosquito Abatement District – Davis	602	1,099	1,701
South Davis Sewer District	1,800	3,285	5,085
South Davis Recreation District	1,277	2,330	3,608
South Davis Metro Fire Service Area	3033,558	6,880	10,438
Total Revenue	**$72,468**	**$135,489**	**$207,987**

SECTION 5: COST/BENEFIT ANALYSIS

Additional Revenues

Other Tax Revenues

The development within the Project Area will also generate sales taxes, telecom taxes, and franchise taxes.

Table 5.1 shows the total revenues generated by the Project Area. This total includes the anticipated property tax increment, sales tax, and transient room tax.

TABLE 5.1: TOTAL REVENUES

Entity	Property Tax	Sales Tax	Telecom Tax	Franchise Tax	Total Tax Increment Revenues
Davis County	$159,249	$1,455,192		-	$1,614,441
Davis County Library	64,143	-		-	64,143
Davis School District	848,068	-		-	848,068
Centerville City	132,837	4,022,583	3.,304	83,891	4,242,615
Weber Basin Water Conservancy District	14,649	-		-	14,649
Mosquito Abatement District – Davis	10,986	-		-	10,986
South Davis Sewer District	32,848	-		-	32,848
South Davis Recreation District	23,305	-		-	23,305
South Davis Metro Fire Service Area	68,804	-		-	68,804
Total Revenue	**$1,354,890**	**$5,477,776**	**$3,304**	**$87,195**	**$6,919,861**

Additional Costs

The development anticipated within the Project Area will also likely result in additional general government, public works, public safety, and other governmental costs. These costs, along with the estimated budget to implement the Project Area Plan, are identified below.

TABLE 5.2: TOTAL EXPENDITURES

Expenditures	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Davis County	$79,624	$14,832	-	-	$94,457
Davis County Library	32,072	-	-	-	32,072
Davis School District	519,827	18,316	-	-	442,350
Centerville City	519,827	39,583	81,892	52,164	693,466
Weber Basin Water Conservancy District	7,324	1,330	-	-	8,654
Mosquito Abatement District – Davis	5,493	69	-	-	5,562
South Davis Sewer District	16,424	529	-	-	16,953
South Davis Recreation District	11,652	3,305	-	-	14,958
South Davis Metro Fire Service Area	34,402	14,796	-	-	49,198
Total Revenue	**$1,130,854**	**$92,759**	**$81,892**	**$52,164**	**$1,357,669**

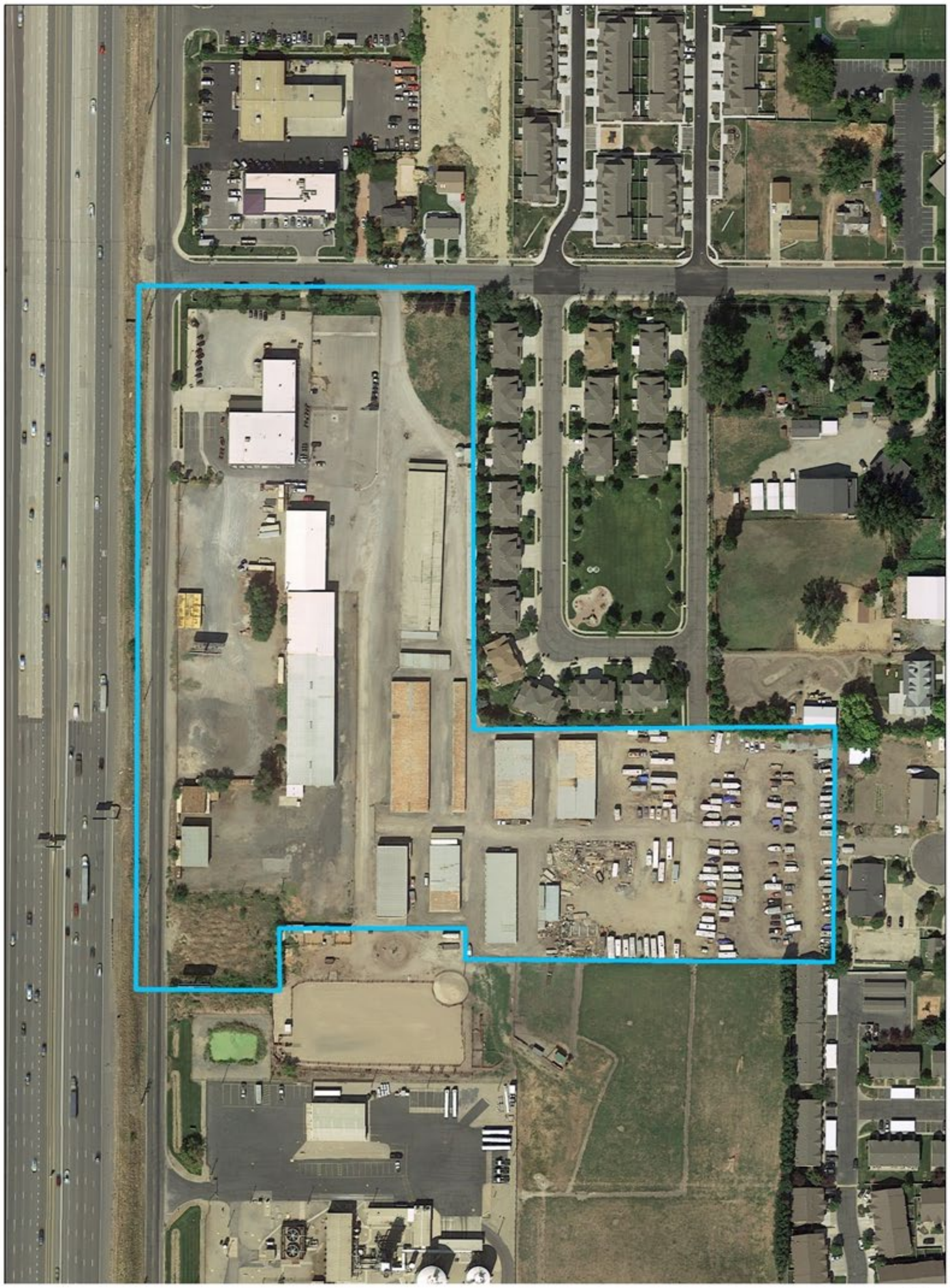
Additionally, the City is anticipating sharing a portion of their sales tax increment with the Agency to assist with offsetting some of the development costs. The Agency anticipates collecting 50% of the City's incremental sales tax for a 3-year period. It is currently forecasted to be approximately $450,000. This figure is reflected in the City's CRA Budget outlined in the Table 5.2

The City's net benefit from the Project Area is estimated to be $3,549,149. The total net benefit to the taxing entities is therefore, **$5,562,192**.

TABLE 5.3: NET BENEFIT

Entity	Incremental Revenues	Incremental Expenses	Net Benefit
Davis County	$1,614,441	$94,457	$1,519,984
Davis County Library	64,143	32,072	32,072
Davis School District	848,068	442,350	405,718
Centerville City	4,242,615	693,466	3,549,149
Weber Basin Water Conservancy District	14,649	8,654	5,995
Mosquito Abatement District – Davis	10,986	5,562	5,425
South Davis Sewer District	32,848	16,953	15,896
South Davis Recreation District	23,305	14,958	8,347
South Davis Metro Fire Service Area	68,804	49,198	19,606
Total Revenue	**$6,919,861**	**$1,357,669**	**$5,562,192**

Exhibit A: Project Area Map



Porter-Walton CRA Project Area Boundary

Lewis Young Robertson & Burningham, Inc.

0 65 130 260 Feet

EXHIBIT B: MULTI-YEAR BUDGET

Redevelopment Agency of Centerville City

Porter-Walton CRA

Increment and Budget Analysis

ASSUMPTIONS:	
Discount Rate	4.0%
Inflation Rate	0.0%

INCREMENTAL TAX ANALYSIS:													
	Payment Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
	Tax Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTALS	NPV
Cumulative Taxable Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Real Property Value (Building & Land)		$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298	$14,316,298		
Personal Property Value		$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260	$2,863,260		
Total Assessed Value:		**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**	**$17,179,558**		
Less Current Property Value		($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)	($6,082,092)		
TOTAL INCREMENTAL VALUE:		**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**	**$11,097,466**		
TAX RATE & INCREMENT ANALYSIS:	2021 Rates												
Davis County	0.001435	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	159,249	129,165
Davis County Library	0.000578	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	64,143	52,026
Davis School District	0.007642	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	848,068	687,859
Centerville City	0.001197	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	132,837	107,742
Weber Basin Water Conservancy District	0.000132	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	14,649	11,881
Mosquito Abatement District - Davis	0.000099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	10,986	8,911
South Davis Sewer District	0.000296	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	32,848	26,643
South Davis Recreation District	0.000210	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	23,305	18,902
South Davis Metro Fire Service Area	0.000620	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	68,804	55,806
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:	0.012209	$135,489	$135,489	$135,489	$135,489	$135,489	$135,489	$135,489	$135,489	$135,489	$135,489	**$1,354,890**	**$1,098,937**
PROJECT AREA BUDGET													
Sources of Funds:	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTALS	NPV
Property Tax Participation Rate for Budget													
Real Property Value (Building & Land)		50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%		
Property Tax Increment for Budget													
Davis County		$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	**$79,624**	**$64,582**
Davis County Library		$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	**$32,072**	**$26,013**
Davis School District		$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	**$424,034**	**$343,930**
Centerville City		$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	**$66,418**	**$53,871**
Weber Basin Water Conservancy District		$732	$732	$732	$732	$732	$732	$732	$732	$732	$732	**$7,324**	**$5,941**
Mosquito Abatement District - Davis		$549	$549	$549	$549	$549	$549	$549	$549	$549	$549	**$5,493**	**$4,456**
South Davis Sewer District		$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	**$16,424**	**$13,322**
South Davis Recreation District		$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	**$11,652**	**$9,451**
South Davis Metro Fire Service Area		$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	**$34,402**	**$27,903**
Total Property Tax Increment for Budget:		**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$67,744**	**$677,445**	**$549,468**
Uses of Tax Increment Funds:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	**TOTALS**	**NPV**
Redevelopment Activities (Infrastructure, Incentives,	87.0%	$58,603	$58,603	$58,603	$58,603	$58,603	$58,603	$58,603	$58,603	$58,603	$58,603	**$586,026**	**$475,320**
CRA Housing Requirement	10.0%	$6,774	$6,774	$6,774	$6,774	$6,774	$6,774	$6,774	$6,774	$6,774	$6,774	**$67,744**	**$54,947**
County Administration (County TIF Only)	3.0%	$335	$335	$335	$335	$335	$335	$335	$335	$335	$335	**$3,351**	**$2,718**
RDA Administration (3.0%)	3.0%	$2,032	$2,032	$2,032	$2,032	$2,032	$2,032	$2,032	$2,032	$2,032	$2,032	**$20,323**	**$16,484**
Total Uses		$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	**$677,445**	**$549,468**
REMAINING TAX REVENUES FOR TAXING ENTITIES		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	**TOTALS**	**NPV**
Davis County		$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	$7,962	**$79,624**	**$64,582**
Davis County Library		$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	$3,207	**$32,072**	**$26,013**
Davis School District		$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	$42,403	**$424,034**	**$343,930**
Centerville City		$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	$6,642	**$66,418**	**$53,871**
Weber Basin Water Conservancy District		$732	$732	$732	$732	$732	$732	$732	$732	$732	$732	**$7,324**	**$5,941**
Mosquito Abatement District - Davis		$549	$549	$549	$549	$549	$549	$549	$549	$549	$549	**$5,493**	**$4,456**
South Davis Sewer District		$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	$1,642	**$16,424**	**$13,322**
South Davis Recreation District		$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	$1,165	**$11,652**	**$9,451**
South Davis Metro Fire Service Area		$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	$3,440	**$34,402**	**$27,903**
Total		$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	$67,744	**$677,445**	**$549,468**

Notes: The values, calculated increments, and years are estimates only.

PARTICIPATION AGREEMENT

This **PARTICIPATION AGREEMENT** (this "Agreement) is entered into as of 19th day of April, 2022, between **YPCBRE, LLC**, a Utah limited liability company, 461 S Frontage Road, Centerville, Utah 84014 (the "Company") and the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the "Agency"):

RECITALS:

A. The Company currently owns certain real property known by the common street address of 695 West 400 South, Centerville, UT 84014 (known currently as Davis County parcel id no. 03-001-0206, 03-001-0038, and 03-001-0031) (the "Property"), which Property is located within the boundaries of a community reinvestment area created by the Agency and known as the Porter-Walton Community Reinvestment Project Area (the "Project Area");

B. The Company intends to construct, open and operate a powersports mall on the Property, which would be of great benefit to the Project Area and to Centerville City and its residents;

C. The Company has presented to the Agency sufficient information, including development plans and alternatives, and a projected financing pro forma, showing justification for the Agency's participation in the opening of the powersports mall on the Property;

D. The Agency has adopted and authorized the Porter-Walton Community Reinvestment Plan and Budget (the "Plan" and "Budget"), which in connection with Utah Code Ann. § 17C-1-405, authorizes the Agency to collect and use tax increment and other agency funds for, among other things, the purposes of this Agreement;

E. Due to its location within the Project Area, the Property generates tax increment and other agency funds that may be diverted to the Agency under the Plan and as provided in Utah Code Ann. § 17C-5-202;

F. The Agency has or will enter into Interlocal Cooperation Agreements (the "Taxing Entity Interlocal Agreements") with various taxing entities in the Project Area under which, in summary, the taxing entities have agreed that the Agency is entitled to receive a portion of the incremental property tax revenues generated on the Property;

G. Centerville City, Utah, has entered into an Interlocal Cooperation Agreement (the "City Interlocal Agreement") with the Agency under which, in summary, the City has agreed that the Agency is entitled to receive a portion of the sales tax revenues generated from taxable sales on the Property and paid to the City, in an amount sufficient to enable the Agency to meet its potential payment obligations to the Company under this Agreement relating to sales tax revenues; and

H. The Agency is, subject at all times to the prior performance of the Company as described below, willing to provide a portion of the incremental property tax and sales tax revenues generated from the Property (and actually received by the Agency each year) to the Company in order to open and operate a powersports mall on the Property.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree as follows:

1. **Company Commitments.** Notwithstanding anything in this Agreement to the contrary, the Company shall not be entitled to receive any payment(s) from the Agency under this Agreement unless the Company satisfies, and continues to satisfy during the term of this Agreement, and the Company agrees to perform, each of the following conditions precedent:

a) The Company opens and begins operating a powersports mall on the Property before December 31, 2023;

b) The Company causes the powersports mall on the Property to remain open for regular business from day-to-day for the duration of this Agreement, meaning that the powersports mall operates consistently and regularly, without prolonged interruption unless the interruption is caused by acts or events entirely beyond the ability of the Company to control or influence, according to usual and customary business practices for other powersports dealerships located in Davis County; and

c) The Company timely and properly pays all taxes assessed on or generated from the Property, including but not necessarily limited to real property, personal property, *ad valorem*, and sales taxes, to the appropriate taxing authorities

2. **Post-Performance Tax Incentives.** The Agency agrees to contribute to the Company the following annual financial incentives, on a reimbursement basis, for a portion of the costs of acquiring the Property and operating a powersports mall on the Property:

a) Annual Incremental Property Tax Payment.

i. The Agency will pay to the Company on an annual basis, solely from incremental property tax revenues actually received by the Agency under the Taxing Entity Interlocal Agreements, an amount equal to 87% of the incremental property tax revenue generated from the Property and actually received by the Agency each year, for the life of the Project Area, which is anticipated to be fifteen (15) years, or until a reimbursement cap amount of \$4,500,000 (the "Reimbursement Cap Amount") is reached, whichever comes first. For clarification purposes, incremental property tax revenues are based on the taxes collected off the incremental assessed values of the Property. The incremental assessed value is calculated by taking the current year's assessed value for each parcel and subtracting the base year value of the respective parcel. The base year values for the parcels in the Property are:

- Parcel 03-001-0206 - $1,572,259
- Parcel 03-001-0038 - $1,450,783
- Parcel 03-001-0031 - $204,531
- **Total Property Base Year Value - $3,227,573**

b) *Annual Sales Tax Payment.*

i. The Agency will pay to the Company on an annual basis, solely from sales tax revenues actually received by the Agency under the City Interlocal Agreement, an amount equal to 50% of the sales tax revenue generated by taxable sales at the Property and actually received by the City and paid to the Agency each year, for a period of five (5) years, or until the Reimbursement Cap Amount is reached, whichever comes first.

ii. The Reimbursement Cap Amount of $4,500,000 is based on the projected shortfall needed to acquire the Property and operate the powersports mall. To receive any financial incentives, the construction on the Property must commence and be completed by December 31, 2023.

3. **Timing of Annual Incentive Payments.** The Agency will make the first Annual Incremental Property Tax Payment within thirty days after the Agency receives from Davis County (the "County") the tax increment payment as outlined in the Taxing Entity Interlocal Agreements. For informational purposes, it is estimated the Agency will receive this payment from the County in March and will likely pay the Annual Property Tax Payment in April each year. The Annual Property Tax Payment shall be based on the property tax revenue generated on the Property for the previous tax year. So, for example, the first Annual Property Tax Payment will be made in approximately April 30, 2025, and the payment will apply to the property tax generated from the 2024 property taxes payments, and so on for each successive year for the life of the Project Area, or until the Reimbursement Cap Amount is reached, whichever comes first.

The Agency will make the first Annual Sales Tax Payment within thirty days after the Agency receives from the City the sales tax payment as outlined in the City Interlocal Agreement. For informational purposes, it is estimated the Agency will receive this payment from the City in February, which means the Agency will likely pay the Annual Sales Tax Payment around March or April each year. The Annual Sales Tax Payment shall be based on the sales tax revenue generated on the Property for the previous tax year. So, for example, the first Annual Sales Tax Payment will be made in approximately March or April of 2025, and the payment will apply to the sales tax generated from January 1, 2024, to December 31, 2024, and so on for each successive year for a total of five years, or until the Reimbursement Cap Amount is reached, whichever comes first. The Company will have a three-year period from the year operations commence to trigger the Annual Sales Tax Payment.

4. **Agency Authority.** The Company acknowledges that the Agency is a political subdivision of the State of Utah operating and existing under Title 17C of the Utah Code Ann., separate and distinct from Centerville City, for the purpose of, among other things, promoting the urban renewal, economic development, community development & community reinvestment in the City. The Company acknowledges that Centerville City is not a party to this Agreement and Centerville City will not have

any duties, liabilities or obligations under this Agreement. The Company understands that the Agency has no independent taxing power, and therefore the Agency's sole source of revenue is incremental property tax and sales tax revenues provided by taxing entities under interlocal cooperation agreements. If Utah law is amended or superseded by new law to reduce or eliminate the amount of revenues to be paid to the Agency, the Agency's obligation is to pay the Annual Post Performance Incentive Tax Payments to the Company shall be accordingly reduced or eliminated. Similarly, if a court of competent jurisdiction declares that the Agency cannot receive incremental property tax or sales tax revenues, or make payments to the Company from incremental property tax or sales tax revenues as provided in this Agreement, or takes any other action which eliminates or reduces the amount of incremental property tax or sales tax revenues paid to the Agency, the Agency's obligation to make Annual Post Performance Incentive Tax Payments to the Company shall be accordingly reduced or eliminated.

5. **Agreement Term/Breach/Termination.** This Agreement shall automatically terminate and expire upon payment of the final Annual Post Performance Incentive Tax Payment or until the Reimbursement Cap Amount has been reached, whichever comes first. This Agreement may also be terminated earlier as follows: Upon the material breach of this Agreement by either party, the non-breaching party may provide notice to the breaching party. The breaching party shall have 30 days to cure the breach, and if the breach is not cured, the non-breaching party may then terminate this Agreement by providing notice to the breaching party.

6. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective successors and assigns. The Company may assign this Agreement so long as the assignee is equally as qualified as the Company to operate a powersports mall on the Property and to comply in all other respects material to this Agreement, and assignees signs an Assignment and Assumption Agreement with the Agency prior to assignment of rights and obligations under the Agreement.

7. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and the Agency.

8. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Davis County, Utah.

9. **Incorporation of Recitals and Exhibits.** The above recitals and each of the Exhibits attached hereto are hereby incorporated and made an integral and binding part of this Agreement.

10. **Further Assurances.** The Parties hereto shall cooperate, take such additional actions, sign such additional documentation, and provide such additional information as reasonably necessary to accomplish the objectives set forth in this Agreement.

11. **Indemnification.** The Company shall indemnify, defend (with counsel of the indemnitee's choosing), and hold the Agency and Centerville City (including their respective officers, directors, agents, employees, contractors, and consultants) harmless from and against all liability, loss, damage, costs or expenses, including attorney's fees and court costs, arising from or as a result of death, injury, accident, loss or damage of any kind caused to any person or property because of the act(s), error(s), or omission(s) of the Company (including its officers, directors, agents, employees, contractors, and

consultants) upon or in connection with the Property of in connection in any way with this Agreement.

12. **Third-Party Beneficiaries.** Except for Centerville City which is an intended third-party beneficiary as described in the immediately preceding paragraph regarding indemnification, this Agreement is intended solely for the benefit of the Agency and the Company and there are no intended third party beneficiaries.

13. **Nonliability of Officials or Employees.** No director, officer, agent, employee, or consultant of the Agency or the Company shall be personally liable to the other party hereto, or any successor in interest, in the event of any default or breach by the Agency or Company or for any amount which may become due to the Company or its successors or on any obligations under the terms of this Agreement.

14. **No Legal Relationships.** The parties disclaim any partnership, joint venture, fiduciary, agency or employment status or relationship between them. No party has the authority to make any representation or warranty or incur any obligation or liability on behalf of the other party, nor shall they make any representation to any third party inconsistent with this paragraph.

(The remainder of the page is intentionally left blank.)

THIS AGREEMENT IS EXECUTED to be effective as of the day and year first above written.

AGENCY: REDEVELOPMENT AGENCY OF CENTERVILLE,
a Utah political subdivision

By: ______________________
Clark Wilkinson, Agency Chair

____
Agency Recorder

COMPANY: YPCBRE, LLC
a Utah company;

By: ______________________
Name:
Title: Manager

ATTEST:

____
Nicholas Hart, General Counsel

COMPANY ACKNOWLEDGMENT

STATE OF UTAH)
:ss.
COUNTY OF DAVIS)

On June 29, 2022 before me, Lesli Barker, personally appeared Spencer W. Young, II, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Utah that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public Signature: Lesli Barker

My Commission Expires: 7/15/2023

Seal:

STATE OF UTAH NOTARY PUBLIC
LESLI BARKER
COMMISSION #706936
MY COMMISSION EXPIRES:
07-15-2023

REDEVELOPMENT AGENCY

Staff Report

9/5/2023

Item No. 1.
Title: Minutes Review and Approval
Initiated By:
Staff Representative:

SUBJECT:

June 6, 2023 RDA Minutes

RECOMMENDATION:

BACKGROUND:

ATTACHMENTS:

1. 6-6-23 RDA minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, June 6, 2023 at 5:30 p.m. with participants present at Centerville City Hall, 250 North Main Street.

DIRECTORS PRESENT	Gina Hirst
	William Ince
	George McEwan
	Robyn Mecham
	Spencer Summerhays
	Clark Wilkinson, Chair
STAFF PRESENT	Brant Hanson, RDA Executive Director
	Lisa Romney, City Attorney
	Jennifer Robison, City Recorder
	Dave Walker, Deputy Public Works Director
	Nate Plaizier, Finance Director
	Mike Carlson, Public Works Director
	Bruce Cox, Parks and Recreation Director

PUBLIC HEARING – FY 2023 BUDGET AMENDMENT

Finance Director Nate Plaizier presented an amendment to the FY 2023 RDA Budget, and answered questions from the Board. At 5:43 p.m., Director McEwan **moved** to open a public hearing. Director Summerhays seconded the motion, which passed by unanimous vote (5-0). Seeing that no one wished to comment, Director McEwan **moved** to close the public hearing at 5:44 p.m. Director Summerhays seconded the motion, which passed by unanimous vote (5-0).

Director Ince **moved** to approve Resolution No. 2023-01 amending the FY 2023 RDA Budget. Director Summerhays seconded the motion, which passed by unanimous vote (5-0).

PUBLIC HEARING – ADOPT FY 2024 FINAL BUDGET

Mr. Plaizier presented a FY 2024 RDA Final Budget, and recommended adoption. Staff answered questions from the Board. At 5:49 p.m., Director Hirst **moved** to open a public hearing. Director Ince seconded the motion, which passed by unanimous vote (5-0). Seeing that no one wished to comment, Director Ince **moved** to close the public hearing at 5:50 p.m. Director Summerhays seconded the motion, which passed by unanimous vote (5-0).

Director Hirst **moved** to approve Resolution No. 2023-02 adopting the FY 2024 RDA Final Budget. Director McEwan seconded the motion, which passed by unanimous vote (5-0).

AMENDMENT NO. 3 TO AGREEMENT FOR DEVELOPMENT OF LAND WITH LEGACY CROSSING THEATER, LLC

At the previous RDA meeting, the Board received a presentation regarding a request from Legacy Crossing Theatre, LLC to receive tax increment for tax year 2022 despite having not met performance criteria in 2022. City Attorney Lisa Romney presented Amendment No. 3 to Agreement for Development of Land to allow distribution of tax increment under limited certain circumstances for tax year 2022, and answered questions. The Board and staff discussed the possibility of reevaluating performance criteria during the next year.

Director Hirst **moved** to approve Amendment No. 3 to Agreement for Development of Land for the Legacy Crossing Theatre, LLC, to allow distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2022. Director Ince seconded the motion, which passed by unanimous vote (5-0).

MINUTES REVIEW AND APPROVAL

Minutes of the May 16, 2023 RDA Meeting were reviewed. Director McEwan **moved** to accept the minutes. Director Ince seconded the motion, which passed by unanimous vote (5-0).

ADJOURNMENT

At 5:58 p.m., Director Summerhays **moved** to adjourn the RDA meeting. Director Hirst seconded the motion, which passed by unanimous vote (5-0).

Brant T. Hanson, RDA Executive Director

Date Approved