REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON MAY 20, 2025 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. Exception for Distribution of Tax Increment Subsidy to Developer for Legacy Crossing - TABLED FROM MAY 6, 2025
   Consider distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2024, as allowed under Amendment No. 4 to Agreement for Development of Land with 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
   May 6, 2025 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

CENTERVILLE

REDEVELOPMENT AGENCY

Staff Report
5/20/2025

Item No. 1.
Title: Exception for Distribution of Tax Increment Subsidy to Developer for Legacy Crossing - TABLED FROM MAY 6, 2025
Initiated By: Dan Bridenstine, US Development
Staff Representative: Nate Plaizier, Finance Director, Lisa Romney, City Attorney

SUBJECT:

Consider distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2024, as allowed under Amendment No. 4 to Agreement for Development of Land with Legacy Crossing Theatre, LLC.

RECOMMENDATION:

BACKGROUND:

TABLED FROM MAY 6, 2025
The RDA tabled action on this item from their meeting on May 6, 2025. The RDA directed Staff or the applicant to provide information or respond to the following questions:

1. What are the specific dates of remodeling of the Megaplex Theater for calendar years 2023 and 2024?
2. What is the change in the number of theater seats as a result of the remodeling?
3. What is the change in the number of theater screens as a result of the remodeling?
4. Why have the annual reports regarding ticket sales been delayed in submittal to Staff (required by January 31 of each year pursuant to the Agreement)?

PRIOR BACKGROUND REPORT FROM MAY 6, 2025
The RDA entered into an Agreement for Development of Land ("Agreement") with Legacy Crossing Theatre, LLC ("Developer") in September 2010 allowing for certain tax increment subsidies. Per the Agreement (2.1 (B)), the Megaplex theater must have a minimum of 500,000 annual theater tickets sold to be eligible to receive their tax increment payment. In 2024, the RDA approved Amendment No. 4 to the Agreement, allowing the RDA to make an exception to the minimum 500,000 annual ticket sales to allow for the distribution of some or all eligible annual tax increment subsidy to the Developer. Such exception is allowed for tax increment years 2023 and 2024 due to remodeling and construction of improvements to the Megaplex theater or other justified reasons for the reduction in annual ticket sales. The Developer is required to provide final annual ticket sales data to the RDA by January 31 of each year justifying the exception. The Developer has submitted the annual ticket sales data for tax year 2024 and is requesting the RDA allow an exception to the annual ticket threshold for 2024. In 2023, the Megaplex fell short of the annual ticket sales threshold with 497,693 tickets sold, but the

RDA granted the exception to allow the Developer to receive the annual tax increment subsidy. In 2024, the Megaplex fell short of the annual ticket sales threshold with 421,623 tickets sold. As anticipated with Amendment No. 4 to the Agreement, the Megaplex theater was partially closed for six months while they completed a major remodel and construction project. The RDA is authorized in its sole discretion to grant an exception to the annual ticket sales threshold to allow the Developer to receive some or all of the annual tax increment subsidy for 2024. Pursuant to Section 2.2 of the amended Agreement, the RDA may grant such exception by motion and majority vote. The RDA has previously approved amendments to the Agreement to allow for the remittance of tax increment due to the pandemic despite not meeting the annual ticket sales threshold for tax years 2020-2022. If approved, the full payout amount this year would be $206,605.72.

Legacy Crossing Attendance History

2012: 548,862
2013: 620,374
2014: 549,422
2015: 639,018
2016: 672,703
2017: 668,031
2018: 706,011
2019: 634,104
2020: 161,974
2021: 335,698
2022: 421,639
2023: 497,693
2024: 421,623

ATTACHMENTS:

1. Amendment No. 4 - Tax Increment Agreement - Legacy Crossing

AMENDMENT NO. 4 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. 4 TO AGREEMENT FOR DEVELOPMENT OF LAND ("Amendment No. 4") is made and entered into as of the 11 day of June, 2024, 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. 4 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 annual performance criteria for Tax Increment Years 2023 and 2024 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 Years 2023 and 2024 due to remodeling and construction of improvements to the Theater ~~2020, 2021, and 2022 due to COVID-19 related~~ or other justified reasons for 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 the remodeling process and construction of improvements during 2023 and 2024 as well as final written ~~COVID-19 related reduction in~~ annual ticket sales data by January 31 of each year in accordance with Section 6.3(C). ~~or other required conditions precedent.~~ The Agency may grant such exception by motion and majority vote of Agency members.

DCS

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 other eligibility 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 2023 or 2024 for justified reasons ~~2020, 2021, and 2022 due to COVID-19 related or other justified 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 2023 and 2024.~~2020, 2021, and 2022.~~ Any eligible Tax Increment Subsidy not distributed to Developer for the Tax Increment Year 2023 and 2024 ~~2020, 2021, and 2022~~ for failure to meet conditions precedent shall be subject to the provisions of Section 2.4.

DCB

[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: Clark A. Wilkinson
Chair Clark A. Wilkinson

STATE OF UTAH)
:ss
COUNTY OF DAVIS)

On the 2nd day of August, 2024, 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.

Jennifer Hansen
Notary Public

My Commission Expires:
May 27, 2025

Residing at:
Davis County

JENNIFER HANSEN
Notary Public, State of Utah
Commission # 718576
My Commission Expires
May 27, 2025

"DEVELOPER"

LEGACY CROSSING THEATERS, LLC

By: Danny C. Bridenstine

Its: Member

STATE OF Utah)
:ss
COUNTY OF Davis)

On the 11 day of June, 2024, personally appeared before me Danny Bridenstine who being duly sworn, did say that (s)he is the Member 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, Utah

CENTERVILLE

REDEVELOPMENT AGENCY

Staff Report
5/20/2025

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

SUBJECT:

May 6, 2025 RDA Minutes

RECOMMENDATION:

BACKGROUND:

ATTACHMENTS:

1. 05-06-25 RDA DRAFT

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, May 6, 2025 with participants present at Centerville City Hall, 250 North Main Street.

DIRECTORS PRESENT	Clark Wilkinson, Chair
	Spencer Summerhays
	Robyn Mecham
	Brian Plummer
	Gina Hirst
	Cheylynn Hayman
STAFF PRESENT	Brant Hanson, City Manager
	Lisa Romney, City Attorney
	Nate Plaizier, Finance Director
	Mike Eggett, Community Development Director
	Mike Carlson, Public Works Director
	Bryce King, Administrative Services Director
	Sydney DeWees, Planner
	Dave Walker, Deputy Public Works Director
	Haley Turner, Community Services Manager

PUBLIC HEARING – FY 2026 TENTATIVE BUDGET

Finance Director Nate Plaizier presented the Fiscal Year 2026 RDA budget, noting it followed a similar process as the city's budget. He highlighted funding for the reconstruction of the intersection at 400 West and Parrish Lane, a UDOT project with RDA improvements, and for completing the economic development plan. Mr. Plaizier noted that since the budget retreat, the only change was updating tax increment revenue and expense accounts to match current fiscal year figures. In response to a question from Director Hirst, he confirmed the Porter Walton release payment was included and had increased the Young Powersports expense by approximately $65,000.

Mayor Wilkinson opened a public hearing for this item. No comments were made, so he closed the public hearing.

Director Summerhays **moved** to approve the FY 2026 Proposed Budget for the Centerville City Redevelopment Agency as the FY 2026 Tentative Budget and set the date and time for the public hearing of the Final RDA Budget for June 3, 2025 at 5:30 PM at Centerville City Hall. Director Hirst seconded the motion, which passed by a unanimous vote (5-0).

EXCEPTION FOR DISTRIBUTION OF TAX INCREMENT SUBSIDY TO DEVELPOR FOR LEGACY CROSSING

Mr. Plaizier presented information on the Legacy Crossing agreement, which offers tax increment incentives if the Megaplex theater sells at least 500,000 tickets annually. For tax year 2024, only 421,623 tickets were sold. He explained that Amendment No. 4, approved last year, allows the RDA Board to grant an exemption and approve the full payment of $206,605.72. The Board expressed concerns about repeated exemptions, reduced seating due to luxury upgrades, late report submissions, and the developer's absence. Members requested to hear directly from developer Dan Bridenstine regarding construction impacts, seat and screen changes, and reporting delays.

Director Hirst **moved** to table this item until the developer could be present to answer questions. Director Summerhays seconded the motion, which passed by a unanimous vote (5-0).

AMEND TAX INCREMENT PARTICIPATION AGREEMENT BETWEEN RDA AND YPCBRE, LLC

Mr. Plaizier explained that in 2022 the RDA entered a tax increment agreement with Young Power Sports for three parcels on Frontage Road, which have since been merged into one parcel with a new ID. He noted that Amendment No. 1 simply updated the agreement by replacing the three original parcel IDs with the new one, with no other changes. The Board discussed the parcel combination process and its effects on property values and tax calculations, the city's responsibility to correct the agreement, and the potential to bill the company for staff time spent on this correction.

Director Summerhays **moved** to approve Amendment No. 1 to Tax Increment Participation Agreement between Redevelopment Agency of Centerville City and YPCBRE, LLC. Director Hirst seconded the motion, which passed by a unanimous vote (5-0).

MINUTES

The minutes of the March 18, 2025 RDA meeting were reviewed. Director Hayman **moved** to approve the minutes. Director Mecham seconded the motion, which passed unanimously (5-0).

ADJOURNMENT

At 6:15 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