REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

TAXING ENTITY COMMITTEE FOR THE REDEVELOPMENT AGENCY OF BOUNTIFUL CITY

Meeting Minutes of: Thursday, October 29, 2015

Location: Planning Commission Conference Room, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairperson – John Marc Knight; Vice Chairperson – Chad Wilkinson. Taxing Entity Committee Members – Mona Andrus, Curtis Koch, Bret Millburn, Von Hortin, and John Davis. Non-Committee Members – Gary Hill, Susan Becker and Craig Smith. Secretary – Julie Holmgren

Excused: Craig Carter and Natalie Grange

Welcome

1. Taxing Entity Committee Chairman John Marc Knight opened the meeting at 2:15 p.m. and welcomed those in attendance.

   Mr. Knight noted the minutes from the September 9, 2015 TEC meeting had been emailed to all TEC members for review. Having received no corrections or additions to the minutes within the ten-day period specified by Resolution 2015-01, paragraph 5. e., the minutes were deemed adopted and approved.

   Regarding Bountiful City Redevelopment Agency Taxing Entity Committee Resolution No. 2015-01, Mr. Knight explained the resolution had been signed, formally organizing the TEC.

   Mr. Knight invited TEC members to introduce themselves. Mr. Millburn explained that former TEC member Marlin Eldred is no longer employed with Davis County, and Mr. Milburn would be replacing Mr. Eldred as a TEC member. (Ms. Andrus was delayed and was not present for the introductions.)

Agenda Items

2. **Review information requested by the Taxing Entity Committee at previous meeting regarding extension of the collection period of the Bountiful City Redevelopment Agency pursuant to 17C-1-402 (4) (b.) (vi.) (B).**

Mr. Knight turned the meeting over to Mr. Wilkinson and Mr. Hill to present Bountiful City Redevelopment Agency information.

Mr. Wilkinson referred to the C.B.D. Neighborhood Development Plan-Extension provided to the TEC. He explained that several TEC members had not heard the latest amended proposal for sharing revenues in the RDA and, as such, reviewed the amended proposal. After the last TEC meeting, concerns were raised regarding equity in sharing revenues from the RDA from increment collection. The Agency has explored several different scenarios, and Mr. Wilkinson presented a scenario with a 65/35 split of current revenues from the tax increment to the RDA. This scenario is different from the first proposal. At the previous meeting, the TEC expressed concern regarding future motivation for the Agency to include these projects and wanted the Agency to have a little more skin in the game regarding future growth of the area. As such, the revised proposal would include an 85/15 split on growth, with 85% of new growth in the area going to the taxing entities and 15% of new growth going to the agency. In summary, concerning the 65/35 split, 65% of current tax increment amount would go to the Agency and 35% would go to the entities. Regarding the growth, 85% of growth in the area would go to the entities and 15% would go to the Agency.

Mr. Hill referred the TEC to Attachment 1 which outlines the Bountiful City RDA budget and projected expenditures. He pointed out this is a projection of need and totals approximately $23,000,000. Mr. Hill also referenced Attachment 4 (page one of the spreadsheets) and explained this spreadsheet breaks out the revenue for the taxing entities and the RDA both by the base and the new growth. Mr. Hill pointed out that the left column, with headings highlighted in yellow, contains revenue amounts which would come to the taxing entities. The 35% references the existing base. Currently, the RDA generates about $1.4 million. The Agency is proposing that 35% of that amount go back to the taxing entities with 65% staying with the RDA. For the entities that totals about $500,000 per year in revenue and for the RDA that is about $920,000 a year in revenue. In addition, the estimated revenue from new growth is approximately $926,000 per year for the taxing entities, and for the RDA that would be approximately $160,000 per year. Based on that proposal, the total amount of collections (base plus new growth) over a twenty year period would be approximately $28.5 million for the taxing entities and just shy of $22 million for the RDA. Mr. Hill explained that the Agency hopes this provides the TEC with comfort that there is some skin in the game for the RDA to see the new development happen and, for the RDA, enough revenue up front to commence some of those projects.

Mr. Davis inquired regarding the twenty year total. Mr. Hill explained that for the entire 20 years the entities would receive 35% of what is being collected and new growth is additional. It is a projection of new growth over 20 years which has been annualized on the report, but the actual revenue will come in a little lumpier than illustrated on the projection.

Mr. Wilkinson presented information on the city center and Renaissance Town Center that have a residential component. It is projected by the developer that the Renaissance Town Center will have between 150-250 residential units. The range is based on the fact that they do not know at this point who the major tenant will be down the south side, and that major tenant will drive parking (the more parking needed, the less residential development). The

developer asked Mr. Wilkinson to convey to the TEC that these units are going to be high-rise units (five, six or seven stories) and are not going to be marketed toward families but, instead, will be marketed to seniors or young professionals. Mr. Millburn noted that marketing demographics are important. Mr. Wilkinson agreed and noted that the project will be along the bus rapid transit line and they want to take advantage of young professionals who would utilize that bus rapid transit to travel to work.

Mr. Wilkinson directed the TEC to a spreadsheet detailing a list of RDA projects for the past 30 years.

Mr. Hill noted that one major change since the RDA was created and the RDA law went into effect is there have been more measures of accountability put into place, one of which involves the TEC approving the budget and the projects up front or at least know what the projects are. Thirty years ago there was no requirement for that; there was no annual report or anything of that nature. For a number of years, Bountiful has been doing that. One suggested proposal to be adopted into a resolution is the RDA would provide the annual November 1st Report that is required for post-1993 RDAs, so the TEC would be getting that same information. This would include project area budget, sources of uses of funds, notable developments and future projects. RDA would also propose an annual update on the specific project areas which have been discussed with the TEC. Mr. Koch noted that individuals serving on the TEC will change over the years but this accountability will ensure the intent of what this project is as outline would be continued forward and looking back on an annual basis would ensure the intent is met. That doesn't mean it can't change, it just means if it does change there will be accountability for that change and the TEC would be able to weigh in on that. Mr. Hill asked Mr. Knight if he believed the City Council support this. Mr. Knight said it would be supported by the City Council. Mr. Hill asked Ms. Andrus if that would be helpful to the School Board. Ms. Andrus responded in the affirmative. Mr. Millburn said this is good practice to have something written down and reviewed on a regular basis so there is something to measure against rather than waiting until 20 years later and trying to compile a list. Mr. Koch noted the future intent is that as this moves forward that 20 years from now the TEC can see if the intent was met. This will provide the accountability to say yes or no. Mr. Hortin asked if the county would be able to track the taxable value data for the project area. Mr. Hill responded in the affirmative. Mr. Koch noted he had talked with the State Tax Commission and it is going to be a little more complex, but he also talked to Bountiful and learned it is being done in other areas with the reporting requirements that the school board, the school district and the county will be reporting and will start this year. Mr. Koch emphasized that this will be a very specific line item that people can go and look and hold us accountable. He noted that's why having these provisions is critical because we will be held accountable whether by the tax payer's association or a concerned citizen group, and that's the way it should be. This will be the backing to show that we are justified in what we've done.

Mr. Hill explained that the second provision to be included in the resolution would be to hold 5, 10, and 15 year meetings with the TEC to evaluate how we're doing, are revenue projections happening the way we thought they would, discuss in detail some of the projects, and hopefully getting together to celebrate success. Mr. Hill noted that the RDA fully

anticipates that is how this will be and is excited about it. Mr. Hill noted it probably isn't necessary to include that in the resolution.

Mr. Hill pointed out that the TEC had talked about a cap individually but never as a group, and thinks it reasonable to have a cap. He requested the cap be 23 million. If the RDA is successful and things take off sooner and we can all generate a little more revenue, what the RDA asks is that the cap match what our anticipated project needs are. Mr. Hill pointed out that current projections are at 22 million and requested the cap be put at 23 million, so that revenue collections stop at either 23 million or 20 years, whichever comes first. That is what the RDA proposes to put in the resolution.

Mr. Smith noted that RDAs have grown to be something requiring more accountability and integration with other taxing entities. This really does need to be something that everyone can look at and say this is what we need to do to help this part of Bountiful become what it needs to become.

Mr. Hortin inquired regarding provisions the TEC would be avoiding by not just having the RDA expire and creating a new one under the new law. Mr. Hill noted that the base would be starting at zero, and the RDA would not be able to generate the amount of money necessary to do the projects in large part because other than the city center and Renaissance Town Center, the area is developed. Mr. Hill pointed out that's the trick, the CDA tool just doesn't work for us. Mr. Smith noted there are two different types of projects. One involves a developer or business and you know they will come at a certain time and they are going to build a certain thing and you are just trying to make that happen. Then there are projects that are more organic. The area has been developed and it's going to take a longer period of time with no guarantee of bump up in the tax increment because nobody new is going to come in and build a brand new building that's going to create that tax increment. You just have to realize what type of project you have and that kind of changes the parameters. Mr. Smith emphasized that is why not having to start out with zero tax increment and having to wait five to ten years to get to something where you have tax increment – it is important that we not do this here.

Mr. Millburn noted it is kind of a green field versus brown field, it needs to be truly redeveloped. Mr. Smith agreed and said it would be like having a brand new $50 million building on it.

3. Setting of date and time of next TEC meeting.

Chairman Knight asked the committee to set a date for the next meeting, which will be a voting meeting. Mr. Wilkinson noted that on November 5th he and Mr. Hill will be presenting information to the State School Board and, therefore, the next meeting would need to take place after that presentation. Mr. Wilkinson further noted it is preferable that the next meeting take place during November. The TEC determined to have the next meeting on Thursday, November 19 at 2:00 p.m. [This date was later changed to November 18, 2015 at 1:30 p.m.]

4. Other matters of business.

Mr. Hill noted the resolution would be provided to the TEC members for review prior to the next meeting. Mr. Hill inquired if the TEC needed to take formal action to change the representative for the county. Mr. Smith replied the county would need to take care of that prior to the next meeting, but the TEC does not need to take action regarding this.

5. Adjournment.

Chairman Knight determined there were no further items of business. Mr. Millburn made a motion to adjourn. Mr. Wilkinson seconded the motion, and the meeting was adjourned at 2:35 p.m.

John Marc Knight, TEC Chairman