DISCUSSION ON A TAX INCREMENT PARTICIPATION AGREEMENT FOR THE REDEVELOPMENT OF CLEARFIELD CENTER

JJ Allen, Assistant City Manager, distributed a handout relevant to the Clearfield Center Redevelopment Tax Increment Participation and informed the CDRA Board Clearfield Center was comprised of the three parcels across from the City building, (the old Taco Time, Clearfield Auto Parts and the adjoining vacant lot with the pine tree). He stated the developer requested the City contribute tax increment toward the development and believed that would be necessary for it to be successful. Mr. Allen referred to the handout and reviewed the main points and explained the proposed tax increment potential was based on some assumptions which were identified at the bottom of the handout. He inquired if the CDRA Board was open to contributing possible tax increment. He directed the Board to the accompanying site plan and emphasized it was different than what had gone out in the packet and explained changes had been made to the parking. He mentioned the developer was also working on a new site plan which would be received sometime later in the week. He emphasized the developer had emphasized how important tax
increment would be to the development. He believed if the City wasn’t willing to contribute tax increment the developer would most likely not be able to purchase the properties.

Mr. Allen suggested the Board consider the following questions:

- Was the CDRA interested in participating with tax increment?
- If so, then to what extent? Usually this was done on a percentage bases but the CDRA could commit a dollar figure.
- What about the project was compelling the CDRA to participate with tax increment given there wasn’t much commercial development?

Adam Lenhard, City Manager, pointed out increment would only exist if the developer proceeded with the development and the main purpose in creating a project area was to use the generated increment as a tool toward development. He emphasized the City wouldn’t be contributing something it already had at this time.

Director LeBaron inquired how much increment the developer needed for the project to happen. Mr. Allen responded the developer hadn’t answered that question yet. He believed the developer was interested in knowing whether the CDRA was willing to commit to contributing some tax increment with a specific dollar amount requested at a later date.

Chair Young expressed concern about committing tax increment up front and the development not generating enough increment to cover the City’s costs associated with the development. Mr. Allen pointed out impact fees would be collected which could offset some incremental costs to the City. A discussion took place about the cost benefit in contributing tax increment.

Director LeBaron suggested the developer try to attract additional retail development for the area. Mr. Lenhard mentioned the developer might be interested in developing other adjacent parcels if the development was successful. Director Shepherd believed this development might possibly be the spark which could be the catalyst for other projects.

Mr. Allen suggested the Board could suggest a contribution of a designated amount of tax increment based on the current submitted site plan; however, the Board would be willing to commit to more funds if the retail component was increased. He mentioned providing the developer with a list of benchmarks and a corresponding dollar figure of tax increment funds which could be contributed. The CDRA Board was receptive to Mr. Allen’s suggestion.

Mr. Allen summarized the Board had general interest in committing tax increment toward the development.

Mr. Allen informed the Council that the Planning Commission would be approving a zoning text amendment for the DR (Downtown Redevelopment) Zone which would be applied for on this project. He pointed out the following issues regarding the DR zone:

- Ground floor fronting State Street was required to be commercial.
- Minimum square footage.

He stated both of those items would be addressed and revised through the Planning Commission at its meetings in October and November.
Director Shepherd mentioned the housing component would consist of one bedroom units with large living areas.

Director Shepherd moved to adjourn as the CDRA and reconvene as the City Council in a work session at 6:19 p.m., seconded by Director Bush. All voting AYE. Director Jones was not present for the vote.

APPROVED AND ADOPTED
This 28th day of October, 2014

/s/Bruce Young, Chair

ATTEST:

/s/Nancy R. Dean, Secretary

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield Community Development and Renewal Agency meeting held Tuesday, September 23, 2014.

/s/Nancy R. Dean, City Recorder