

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
7:00 P.M. POLICY SESSION
October 9, 2018

(This meeting was held during the regularly scheduled City Council Meeting.)

PRESIDING:	Kent Bush	Chair
PRESENT:	Nike Peterson	Director
	Vern Phipps	Director
	Tim Roper	Director
	Mark Shepherd	Director
	Karece Thompson	Director
STAFF PRESENT:	JJ Allen	City Manager
	Summer Palmer	Assistant City Manager
	Stuart Williams	City Attorney
	Greg Krusi	Police Chief
	Scott Hodge	Public Works Director
	Eric Howes	Community Services Director
	Spencer Brimley	Community Development Director
	Stacy Millgate	Customer Service Center Manager
	Rich Knapp	Finance Manager
	Trevor Cahoon	Communications Coordinator
	Nancy Dean	City Recorder
	Wendy Page	Deputy Recorder

VISITORS: David Tomczak, Bob Bercher, Don Wood, Brian Slagle – Lifetime Products, Aliza Kennaley, Tera Kennaley

Chair Bush called the meeting to order at 7:16 p.m.

APPROVAL OF THE MINUTES FROM AUGUST 28, 2018 POLICY SESSION AND
AUGUST 28, 2018 WORK SESSION

Director Peterson moved to approve the minutes from the August 28, 2018 policy session and August 28, 2018 work session, as written, seconded by Director Shepherd. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

PUBLIC HEARING TO RECEIVE PUBLIC COMMENT ON THE DRAFT PROJECT AREA
PLAN AND BUDGET FOR THE LIFETIME PRODUCTS COMMUNITY REINVESTMENT
AREA (CRA)

Summer Palmer, Assistant City Manager, welcomed Jason Burningham with Lewis Young Robertson & Burningham, Inc. (LYRB) and Brian Slagle with Lifetime Products. Mr.

Burningham stated he was a financial advisor for the firm LYRB which had worked with the City for several years helping with community and economic development projects. He mentioned the CDRA Board had met in work session on October 2, 2018 to review the draft project area Plan and budget for the Lifetime Products Community Reinvestment Area in detail. He acknowledged LYRB, Lifetime Products, and City staff along, with Mayor Shepherd, had been working together for several months to create a Community Reinvestment Area (CRA). Mr. Burningham recognized Lifetime Products as one of the largest employers of the City and County expressing appreciation for the opportunity of working with them in a financial partnership for the expansion of its operations.

He reviewed the role of the CDRA in administering opportunities of redevelopment areas and introduced Community Reinvestment Areas (CRAs), the Lifetime Products Community Reinvestment Project Area, as well as impacts to the existing Redevelopment Area 6 (RDA 6) which necessitated its amendment to create a new project area. Mr. Burningham explained the purpose of CRA creation was to encourage community enhancement and assistance. He stated an agency that established a CRA would receive portions of incremental property taxes to be used in providing assistance for the following purposes: existing businesses, new development, infrastructure improvements, affordable housing, crime reduction, expanded employment opportunities, and other community concerns or priorities.

Mr. Burningham acknowledged a draft Project Area Plan and budget had been prepared and properly noticed. He indicated the Plan and budget would be available for the public's review for a 30 day period. He noted there would be a public hearing later and then the CDRA would consider adoption of the Plan and its budget by resolution and the City would consider the Plan's adoption by ordinance. Mr. Burningham stated if it were approved then the next step in the process would be negotiation and adoption of Interlocal Agreements with the taxing entities. He noted some dialogue had already occurred with Davis County and the School District which were the largest participating taxing entities and the conversations had been positive regarding the project.

Mr. Burningham mentioned Lifetime Products expansion plans would benefit the City and County; however, there was disparity in land costs should it remain local rather than expanding at other competing sites. He expounded on the research and due diligence completed by Lifetime for its expansion concluding that the preferred location would be in Clearfield, but there was a financial gap. He stated the amount proposed to be funded by the CRA would not cover the gap completely but it was an expression of the support of local governments and community partners. Mr. Burningham continued Lifetime Products' chief officers were pleased with the commitment expressed during discussions to date. He added the project would be a significant increase to the tax base of approximately \$30 million in new taxable value and increase the potential of about 150 new jobs. He reported the project was unique because it was one of the only times the Freeport Center was willing to sell land rather than leasing it.

Mr. Burningham gave an overview of the proposed Lifetime Products CRA Project Area boundary which was approximately 37 acres along the south side of State Road 193 and east of 775 West. He explained the parcel was currently a subset of RDA 6 which totaled about 100 acres which would require it to be carved out and put into its own project area. He mentioned the

project totaled about 650,000 square feet of building space. He noted the estimated total tax value would be \$35 million and it currently had a base value of \$5 million so the difference of \$30 million was the incremental value. Mr. Burningham continued the requested tax increment participation from taxing entities would be 75 percent for a 15 year period. He clarified for the public's benefit the incremental tax dollars would not be the result of a tax increase but rather by virtue of the development in the project area. He added if nothing was developed there would be no increased taxes to share so it placed the burden on Lifetime Products for its development to have the potential to earn property tax incentives.

Chair Bush asked if the tax increment would accumulate when the project was complete or in 2019 once the development initiated. Mr. Burningham answered the way the Plan and budget were articulated currently it would be at the discretion of the CDRA Board when it was triggered. He stated one of the parameters was that it not be triggered later than a certain date which he recalled was within the first two or three years. He explained it could be triggered as soon as the building was completed, but the idea was to get it on the tax rolls and then trigger the first year of the fifteen for collection of tax increment.

Mr. Burningham reviewed a depiction of the Lifetime Products CRA Tax Increment from year 2019 to 2038 estimating \$350,000 of tax increment revenue beginning in 2019. He noted the illustration showed how the tax increment revenue was distributed between new increment to the CDRA of 75 percent, new increment retained by taxing entities of 25 percent, the new growth portion available to taxing entities after the 15 years, and the base year tax revenue retained each year by taxing entities which was perpetual. He highlighted the dollars projected for the taxing entities for the base year assumptions, those aggregated annually for 15 years, and the net percentage value totals. Mr. Burningham continued with a review of the assumptions for pass-through dollars of 25 percent which the taxing entities would collect if the development were allowed in addition to the base year taxes. He highlighted the CDRA's tax increment portion of the funds or 75 percent and what it would be used towards. He indicated the CDRA planned to use five (5) percent of its incremental funds for project area administration and operations, ten (10) percent to meet the CRA's housing requirement, and the largest portion to incentivize Lifetime Products for its expansion to help with land cost differences which would make it more manageable with the comparisons of its other options.

Mr. Burningham reviewed the next steps for creating the CRA which included negotiation with taxing entities, consideration by the taxing entities of Interlocal Agreements to participate in the CRA, and publication of a summary of Interlocal Agreements in the Newspaper. He stated the CDRA would also be considering amending the RDA 6 Project Area Plan to remove acreage related to the creation of the Lifetime Products CRA in order for it to be effective. He noted there would be a little impact because there was about \$41,000 created annually by RDA 6; however, expressed it should not be looked at as a loss but more of a transfer of funds to the CRA which would be used for development purposes.

Mr. Burningham explained one of the provisions of the resolution and the City's ordinance relative to RDA 6 was its contingency upon execution of the Interlocal Agreements with the taxing entities for the Lifetime CRA. He noted that language had been crafted after the work session discussion so the CDRA had some assurances the property would remain in RDA 6 if the

Lifetime CRA was not approved by the taxing entities. He stated he would be available for any questions.

Chair Bush opened the public hearing at 7:37 p.m.

Chair Bush asked if there were any public comments.

Don Wood, resident, spoke in support of the Lifetime Products Project Area Plan and budget. He identified many reasons he was supportive which included the following: it was an opportunity for the City to keep commitments of further developing the area which it made years ago to the Utah Department of Transportation when securing a grant for the expansion of State Road 193; personal and real property tax revenues retained by the City would be a substantial contribution from Lifetime increasing the tax base of the community; the project would benefit the school children as a result of Davis County School District's participation as a taxing entity; and Lifetime Products' contribution to the City went beyond monetary means with its generosity to marshal hundreds of employees to improve the sites at Centennial Park and Steed Park for the benefit of the community. He stated finding companies which looked beyond the bottom line was rare yet Clearfield had that with Lifetime Products. He expressed gratitude for Brian Slagle's representation of Lifetime and for its willingness to expand operations locally. He encouraged the CDRA Board to consider approval of the Lifetime Project Area Plan and budget.

Director Peterson moved to close the public hearing at 7:42 p.m., seconded by Director Phipps. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

APPROVAL OF RESOLUTION 2018R-04 ADOPTING AN OFFICIAL PLAN FOR THE LIFETIME PRODUCTS COMMUNITY REINVESTMENT PROJECT AREA

Director Phipps echoed comments made by Mr. Wood expressing his appreciation to Lifetime Products for its willingness to work with the City which was a benefit to the City, County and the State. He stated it was commendable that Lifetime even with other options had such a loyalty to the community and desired to expand its operations in Clearfield and contribute in positive ways.

Director Shepherd moved to approve Resolution 2018R-04 adopting an Official Plan for the Lifetime Products Community Reinvestment Project Area and authorize the Chair's signature to any necessary documents, seconded by Director Roper. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

APPROVAL OF RESOLUTION 2018R-05 ADOPTING THE PROJECT AREA BUDGET FOR THE LIFETIME COMMUNITY REINVESTMENT PROJECT AREA (CRA)

Director Peterson moved to approve Resolution 2018R-05 adopting the Project Area Budget for the Lifetime Community Reinvestment Project Area (CRA) and authorize the Chair's signature to any necessary documents, seconded by Director Thompson. The

motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

APPROVAL OF THE PURCHASE AGREEMENT FOR THE SALE OF PROPERTY LOCATED IN THE VICINITY OF 17 NORTH MAIN, 75 NORTH MAIN, AND 52 SOUTH MAIN TO DG CONSTRUCTION FOR THE DEVELOPMENT OF CLEARFIELD JUNCTION

Summer Palmer, Assistant City Manager, explained the City and CDRA entered into a Development Agreement with DG Construction for the future development of Clearfield Junction. She noted there were some conditions precedent which had to be fulfilled prior to moving forward with the sale of four acres of CDRA property at 17 North Main, 75 North Main and 52 South Main to DG Construction for the Clearfield Junction project. She indicated the draft purchase agreement was contingent upon the developer completing all the items as part of the site plan process. Ms. Palmer acknowledged there were a few things that needed to be worked through and the Planning Commission held a lengthy discussion about those items on October 3, 2018. She noted once those items were completed and all conditions met by the developer, staff recommended execution of the purchase agreement.

Director Shepherd stated he had been asked why the CDRA would sell it for the specified amount. He explained there were many considerations given but one reason was the incentive. He indicated there would be no tax increment revenue used to incentivize the project and aside from the housing involved with the project there would be about 20,000 square feet of retail space fronting State Street. He mentioned the CDRA, through the project, was helping a developer with the reduced sale price but it would in turn allow the City to realize its vision for the downtown area. He said he whole-heartedly supported the project because it made sense. Chair Bush agreed.

Director Roper moved to approve the purchase agreement for the sale of property located in the vicinity of 17 North Main, 75 North Main, and 52 South Main to DG Construction for the development of Clearfield Junction and authorize the Chair’s signature to any necessary documents, seconded by Director Shepherd. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

Director Peterson moved to adjourn as the CDRA and reconvene as the City Council in policy session at 7:49 p.m., seconded by Director Phipps. The motion carried upon the following vote: Voting AYE: Directors Peterson, Phipps, Roper, Shepherd, and Thompson. Voting NO – None.

The meeting reconvened at 7:51 p.m.

APPROVAL OF RESOLUTION 2018R-06 ADOPTING AN AMENDMENT TO THE OFFICIAL PLAN FOR THE RDA #6 REDEVELOPMENT PROJECT AREA

Chair Bush stated the CDRA Board and City Council approved the adoption of the Official Plan for the Lifetime Products Community Reinvestment Project Area (CRA); therefore, an

amendment to RDA 6 was necessary to reduce its boundaries because it currently included the properties proposed in the CRA. He explained the reduction of RDA 6 boundaries was limited to the proposed boundaries adopted as the Lifetime Products CRA.

Director Thompson moved to approve Resolution 2018R-06 adopting an amendment to the Official Plan for the RDA 6 Redevelopment Project Area and authorize the Chair's signature to any necessary documents, seconded by Director Peterson. The motion carried upon the following vote: Voting AYE – Directors Peterson, Phipps, Roper, Shepherd and Thompson. Voting NO – None.

There being no further business to come before the Board, **Director Peterson moved to adjourn as the CDRA and reconvene as the City Council in policy session at 7:53 p.m., seconded by Director Roper. The motion carried upon the following vote: Voting AYE: Directors Peterson, Phipps, Roper, Shepherd, and Thompson. Voting NO – None.**

The City Council policy session minutes are in a separate location.

**APPROVED AND ADOPTED
This 11th day of December, 2018**

/s/Kent Bush, 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, October 9, 2018.

/s/Nancy R. Dean, City Recorder