

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
6:00 P.M. WORK SESSION
April 16, 2019

(This meeting was held following the regularly scheduled City Council work session.)

City Building
55 South State Street
Clearfield City, Utah

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
	Kelly Bennett	Police Chief
	Scott Hodge	Public Works Director
	Mark Baird	Deputy Public Works Director
	Eric Howes	Community Services Director
	Curtis Dickson	Community Services Deputy Dir.
	Brad McIlrath	Senior Planner
	Trevor Cahoon	Communications Coordinator
	Wendy Page	Deputy Recorder
EXCUSED:	Nancy Dean	City Recorder

VISITORS: Alyssa Belford – Clearfield City Youth Commission (CCYC) Chair, Shayla Bui – CCYC, Eden Bush – CCYC Vice-Chair, Arienne Coats – CCYC, Ethan Durbin – CCYC, Amy Archibald – CCYC Advisor, Chris Uccardi, Ruth Jones, Jason Hamblin – Hamblin Investments

Chair Bush called the meeting to order at 6:50 p.m.

DISCUSSION ON THE INTERLOCAL AGREEMENT WITH THE DAVIS SCHOOL DISTRICT FOR THE LIFETIME PRODUCTS CRA (COMMUNITY REINVESTMENT AREA)

Summer Palmer, Assistant City Manager, explained what tax increment financing (TIF) was and how it could be used. She reviewed a map of the existing redevelopment areas for the Community Development and Renewal Agency (CDRA) and pointed out the Lifetime Community Reinvestment Area (CRA) would be carved out of Redevelopment Area (RDA) 6.

She noted if the planned CRA was developed for Mabey Place it would be carved out of RDA 7 and RDA 8.

Ms. Palmer acknowledged the CDRA would need to consider Interlocal Cooperation Agreements with each of the taxing entities for the Lifetime CRA and formalize them by resolution once they had been approved by the various taxing entity boards. She mentioned the Davis School District was the first of many that was ready for review and the Interlocal Cooperation Agreement had been included with the agenda packet. She noted Davis School District had already approved the agreement.

Ms. Palmer explained the Lifetime Products Project Area was planned to collect \$4.2 million over 15 years and \$2.27 million of the increment would be generated by the Davis School District. She mentioned this item was planned for consideration by the CDRA at its policy meeting on April 23, 2019. She asked if there were any questions. There was a discussion about the percentage of tax increment, other taxing entities moving forward with the agreements in the near future, relationships developed during the implementation process with the taxing entity boards, the time value of money, and the potential impacts for Utility Trailer currently using part of the Project Area for parking at the Freeport Center.

Ms. Palmer asked if there were any additional questions about the Interlocal Agreement. Brad McIlrath wondered if the City was creating a new CRA rather than using the existing RDA because there were new rules in place and so it would be more beneficial. Ms. Palmer explained there were more opportunities with the creation of a new CRA and there was also a longer period of time to collect the amount of increment needed for the project. Director Shepherd commented a CRA also had a component mandated by the State that ten (10) percent of the increment be directed towards affordable housing. There was a discussion on how affordable housing funds could be spent. Director Shepherd pointed out the City had mandated, along with Davis County and the School District, that the ten (10) percent of tax increment collected from the Lifetime CRA stay within the City's boundaries.

Director Peterson recalled past discussions and pointed out there would be financial impacts for RDA 6 and it would need to be made whole or at least cover its obligations. Ms. Palmer indicated any time a new CRA was created there were financial impacts so the project area budgets would need to be refigured. She stated there would be additional discussions when the CDRA considered modifying RDA 7 and RDA 8 for the Mabey Place CRA creation. Chair Bush added the legal descriptions of each affected area would also have to be updated.

JJ Allen, City Manager, reviewed the CDRA Fiscal Year 2020 budgeted line item for servicing the sales tax bond payment which totaled \$774,208. He explained that debt was backed by sales tax dollars, but had been funded with CDRA tax increment collected from RDA 6, 7, 8, 9, and 10. He stated when the CDRA determined to carve out a new CRA for Lifetime; it evaluated the value of the land and felt the financial impact would not be substantial to RDA 6. He pointed out carving out a new area for the Mabey Place CRA would be more significant; therefore, staff would be meeting with the consultants to review the numbers and financial impacts to determine how to balance them.

Chair Bush questioned whether or not acreage could be added to an RDA if it carved out a portion for the creation of a new CRA. Mr. Allen stated it was an interesting question. He pointed out there were acreage restrictions applied to old RDAs but those rules no longer existed for CRAs. He commented staff would check on the possibility of removing acreage from one area of an RDA and if there would be the ability to add acreage to another area of the RDA so the increment could continue to be captured.

DISCUSSION ON THE FISCAL YEAR 2020 CDRA BUDGET

Summer Palmer, Assistant City Manager, reviewed the revenues and expenditures of the Fiscal Year 2020 (FY20) budget. She mentioned the CDRA received tax increment from each of the active project areas which included five Redevelopment Areas (RDAs), one Economic Development Area (EDA), and the first tranche of the Clearfield Station Community Development Area (CDA). She said tax increment and interest earnings revenues were budgeted at \$2,493,098.80 for FY20.

She pointed out all the RDAs serviced the debt for the Sales Tax Revenue Bond payments associated with the Clearfield Aquatic and Fitness Center totaling \$774,208 for FY20 as was discussed during the last agenda item. Ms. Palmer commented other expenditures included CDRA administration costs and incentive payments for the City Centre project, the Orbital ATK project, and the Clearfield Station Apartments project. She stated in total the expenditures were \$1,973,189.30 leaving a difference from revenues of \$519,909.50 as a contribution to the fund balance. She indicated there was not much wiggle room in the accounts.

Ms. Palmer noted over time there would be less money transferred to the General Fund from the RDA accounts as the City got closer to the time period the bond was paid off. Director Thompson asked if the Clearfield Station area was the only opportunity zone in the City. Director Shepherd indicated Mabey Place was also an opportunity zone. JJ Allen, City Manager, stated the opportunity zone program identified two opportunity tracts in the City along the corridor, one on the north and one on the south. He pointed out it was an added layer of incentives in addition to those of the CDRA. There was a discussion on opportunity zone projects and the tax incentives available to investors. Director Shepherd pointed out Clearfield Station Area would probably develop as an opportunity zone project; however, Mabey Place would likely not develop as such because Lotus Company did not intend to utilize the opportunity zone funding.

Director Shepherd moved to adjourn at 7:21 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 work session minutes are in a separate location.

**APPROVED AND ADOPTED
This 14th day of May, 2019**

/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, April 16, 2019.

/s/Nancy R. Dean, City Recorder