



**West Point City
Community Development and Renewal Agency**

West Point City Hall
3200 West 300 North
West Point City, UT 84015
October 21, 2014

Board Chair
Erik Craythorne
Board
Jeff Turner, Vice Chair
Gary Petersen
Jerry Chatterton
Andy Dawson
R. Kent Henderson
Executive Director
Kyle Laws

Community Development and Renewal Agency Organizational Meeting

Minutes for the West Point City Community Development and Renewal Agency held at 7:35 pm on October 21, 2014 at the West Point City offices, 3200 West 300 North, West Point City, Utah 84015 with Chairman Erik Craythorne presiding.

CDRA BOARD MEMBERS PRESENT – Erik Craythorne, Chair; Jeff Turner, Vice-Chair; Jerry Chatterton, Board Member; Gary Petersen, Board Member; Kent Henderson, Board Member; Kyle Laws, Executive Director; and Misty Rogers, Secretary

EXCUSED – Mr. Andy Dawson, Board Member

VISITORS – Haden Furse, Tanner Francis, Konner Burnside, Trevor Gleave, Jordan Stambaugh, Jordan Sam, Landon Wheelwright, Lisa Wheelwright, Meg Addison, Marissa Mayer, Diana S., Christian Black, Mateah Tuckett, Airamea Solvia, McKyalee London, and Shaylee Mahoney

1. **Call to Order**
2. **Communications from Staff** – no comment
3. **Adoption of the Minutes from the 10-21-2014 CDRA Meeting**

Mrs. Rogers stated the CDRA minutes sent to the Board Members for review referenced Mr. Turner as the Vice-Chair in item number 3. Because Mr. Turner hadn't been appointed as the Vice-Chair until item number 4, the position title of "Vice-Chair" was removed when referencing Mr. Turner during item number 3. This change has been made for clarification purposes.

Mr. Chatterton motioned to approve the minutes from the 10-21-2014 CDRA meeting as amended.
Mr. Henderson seconded the motion.
The Board unanimously agreed.

4. **Review of Plan and Budget with RDA** – Mr. Randy Sant

Mr. Craythorne informed those in attendance that the Community Development and Renewal Agency (CDRA) is working to establish a project area plan for the area surrounding the upcoming Smith's Marketplace development. He then stated the Smith's Marketplace development will be located on the corner of 2000 West and 300 North, construction will begin in 2015 and opening in 2016. Mr. Craythorne stated establishing the 300 North Community Development Project Area Plan will allow West Point City to work with Smith's in the future. He then turned the time over to Mr. Randy Sant.

Mr. Sant stated on November 18, 2014, a Public Hearing will be held for the draft Project Area Plan and Project Area Budget. Notices were mailed to taxing entities and property owners on Friday, October 17, 2014. The notices sent to Mr. Gary Wright and The Church of Jesus Christ of Latter Day Saints (the property owners) included the 300 North

Community Development Draft Project Area Plan and Draft Project Area Budget (300 North CDA). Mr. Sant informed the board and members of Staff that the property owners may request a meeting with the CDRA to discuss the project.

Mr. Sant stated a meeting with the Davis County School District has been scheduled for October 28, 2014 to discuss the tax increment the CDRA is seeking. He then stated that he has spoken with a County Commissioner regarding CDRA and the tax increment being requested and it seems the Commissioner is supportive. Mr. Sant stated he will be contacting the remaining Commissioners to discuss the RDA and he is hopeful that the Commission will place CDRA item on their agenda.

Mr. Sant stated the Project Area Budget and plan documents are determined by specific statutory requirements. The determined budget is based upon the actual site plan presented by the developer.

Mr. Chatterton stated the tax rate and increment analysis for the Mosquito Abatement District-Davis lists the 2014 rate as 0.000124. He then asked if the rate of 0.000124 can change throughout the 15 year process. Mr. Sant stated no, the tax rate of a taxing entity is determined at the time of the creation of the budget. For the next 15 years, the CDRA is not permitted to capture increases to another entities tax rate. If the tax rate of an entity decreases, the CDRA must accept and adjust for the decrease. Mr. Sant stated if an entity experiences a significant increase to their tax rate, the CDRA could request the taxing entity to allow the CDRA to capture the increase.

Mr. Craythorne stated the numbers used to create the budget for the CDRA were determined using the market analysis provided by Smith's. He then stated that Smith's projects \$1 million in sales per week. Mr. Sant stated Smith's projects \$650,000 - \$700,000 in sales per week the first year that they are open, \$800,000 in sales per week the second year they are open, and \$1 million per week the third year they are open.

Mr. Sant stated when drafting the budget, the site plan provided by the developer is reviewed to determine the development potential for the project area. Using the development potential, the assessed valuation is then determined. Mr. Sant stated in 2018, when the project area is built-out it is projected that the assessed value of the property will be \$20,485,359. Today, the property valuation for the project area is \$21,678. The projected increase to the property value is significant. Because of the projected increase to the property valuation, taxing entities will receive a significant increase in the property taxes being collected. Mr. Sant stated using the projected property valuation, the CDRA will collect \$297,624 in property tax revenue for the 300 North Project Area. Mr. Sant stated the CDRA is requesting that taxing districts share 50% of their property tax revenue for a period of 15 years or until a cap of \$2,192,028 is reached.

Mr. Sant stated it is projected that the Smith's Marketplace development will produce an additional \$300,000 for West Point General Fund.

- Sales Tax – 266,000
- Franchise Tax - \$24, 026
- Property Tax Levied - \$10,000

Mr. Sant stated with development, the City should expect expenses such as police and fire services to increase. Increases such as these will create an estimated \$21,000 of expense to the General Fund. When subtracting the new revenue from the anticipated increase of expenditures, the General Fund is left with a net gain of \$279,630 per year (based on the 2014 budget). Mr. Sant stated the 300 North Community Development Project Area Plan and Budget will be a benefit for the community and Davis County.

Mr. Sant posed the question, "why would the school district want to participate"? Mr. Sant stated if the property isn't developed as commercial, it will likely be developed as residential housing. A housing development causes an added expense for the school district as there are more children to educate. The school district receives more revenue from a commercial development than that of a residential development.

Mr. Sant stated a large amount of the revenue collected by the CDRA will be used to repay for infrastructure which was needed for the development of the project. For example, the increment collected by the CDRA could be used to reimburse for the removal of specific soils, lab costs, extra fill, utility extensions, etc.

Mr. Petersen asked if the budget amount of \$2,192,028 will exceed the actual costs of the development. Mr. Sant stated from the estimates received and preliminary meetings, he is confident the cost of the development will cost above the projected amount.

Mr. Sant informed the Council that he recently met with the developer and an associate from Smiths to discuss the estimated cost of the project. The developer provided Mr. Sant with a list of wants; he recommended that Staff meet to discuss the most important aspects of the project. Mr. Sant is hopeful that a more defined budget will be presented to the board during the November 18, 2014 CDRA meeting.

Mr. Sant stated the budget currently states the following:

- Public Infrastructure Reimbursement \$2,082,427
- CDA Administration Fee (5%) \$109,601

Mr. Petersen asked if infrastructure such as water and sewer lines should be installed through the development area to reach the unimproved property to the west. Mr. Sant stated RDA funds could be used to pay for improvements such as these. He then stated that Mr. Davis will be researching infrastructure options in the near future. Mr. Craythorne stated negotiations between Staff and the developer typically occur.

Mr. Sant stated he is comfortable with a CDRA budget of \$2.1 million as well as asking taxing entities to contribute 50% of their tax revenue for 15 years.

Mr. Craythorne stated that he and Mr. Laws will be attending the meeting with the Davis County School Board on November 18, 2014. Because of this conflict, Mr. Petersen will conduct the West Point City Council meeting and Mr. Jeff Turner, Vice Chair, will conduct the CDRA meeting.

Mr. Sant informed the board that he will be present during the November 18, 2014 CDRA meeting. He then expressed his appreciation to members of Staff and the City Recorder.

Mr. Chatterton asked if the creation of the CDRA is consistent with the original creation timeline. Mr. Sant stated because of minor conflicts, the original timeline is off a few weeks.

Mr. Sant requested those individuals representing West Point City and serving on the board of the North Davis Sewer District and the North Davis Fire District have him added to their agenda.

Mr. Craythorne thanked Mr. Sant for his assistance and experience.

5. Motion to Adjourn

Mr. Petersen motioned to adjourn the CDRA meeting.
Mr. Henderson seconded the motion
The Board unanimously agreed.

Approved this 18th day of November, 2014



Erik Craythorne, Agency Chair



Misty Rogers, Agency Secretary