

Minutes of the **Regular Meeting** of the **Board of Directors of the Redevelopment Agency** of Riverdale City held **Tuesday, May 10, 2005**, at 7:04 p.m. at the Riverdale Civic Center.

Members Present: Bruce Burrows, Chairman
 Nancy Brough
 Stan Hadden
 Stacey Haws
 David Gibby
 Shelly Jenkins

Others Present: Larry Hansen, Executive Director
 Stevin Brooks, City Attorney
 Cindi Mansell, City Recorder

Gary Baumgartner	Cathy Baumgartner
Karen Thompson	Marc Desobeau
Lee Dearden	Reta Dearden
Brent Smith	Katy Smith
Golden Bingham	Cora Bingham
Mark Peterson	Marilyn Peterson
Richard Spark	GeNeal Spark

Chairman Burrows called the meeting to order and welcomed all those present.

Consideration of Meeting Minutes

Chair Burrows stated the Board has before them the regular meeting minutes of April 19, 2005.

Motion Mr. Gibby moved to approve the minutes as presented. Seconded by Mr. Haws.
 The motion passed unanimously.

West Bench Redevelopment Project Area Plan & Project Area Budget

Public Hearing

Mr. Hansen explained RDA Tax Attorney Randall Feil is present to provide orientation as to the West Bench Redevelopment Project Area Plan.

Mr. Feil addressed the Board, and stated now is the time and the date set for a public hearing on the amendment of the West Bench Redevelopment Project Area Plan and for public comment. He stated the purposes of this public hearing are to: (1) allow public comment on the draft "West Bench Redevelopment Project Area Plan and on the related draft Project Area Budget"; (2) allow public comment on whether the draft Project Area Plan and draft Project Area Budget should be revised, adopted, or rejected; and (3) receive all written objections and hear all oral objections to the draft Project Area Plan.

Mr. Feil stated the following documents, along with their related certificates of mailing, proofs of publication, etc., will be made part of the public hearing record:

- A Notice of Public Hearing as required by the Redevelopment Agencies Act, Title 17B, Part 4, Utah Code Annotated 1953 as amended (the "Act"), Sections 17B-4-402(1)(d), 17B-4-501(2)(c), 17B-4-701(1)(c) and (d) and (2)(b), 17B-4-702 and 17B-4-704, Utah Code Annotated, which was published in the Ogden Standard Examiner Newspaper;
- A Notice of Budget Hearing as required by Section 17B-4-501(2)(d) of the Act, which was published in the Ogden Standard Examiner Newspaper;
- The Redevelopment Agency Resolution No. R10-2004 dated the 16th day of November 2004, designating an area located within the Agency's boundaries as a survey area, as provided by Section 17B-4-401 of the Redevelopment Agencies Act;
- Three separate Notices, each dated the 2nd day of April 2005 and executed by Larry Hansen as the Executive Director of the Redevelopment Agency which were mailed, by certified mail, to (a) each owner of record owning property within the boundaries of the Project Area; (b) each owner of record owning property within 300 feet of the boundaries of the Project Area; and (c) each taxing entity having the power to levy a tax within the boundaries of the Project Area, which notice to taxing entities contained the provisions required by Section 17B-4-702 of the Act;
- The report of City of Riverdale Planning Commission submitted as provided by Section 17B-4-402 of the Act, indicating that the draft Redevelopment Project Area Plan is consistent with the master plan or general plan of the City, as well as other City plans for the development of the area or capital improvement plans of the City;
- The draft Amended Project Area Plan entitled, "West Bench Redevelopment Project Area Plan" dated April 1, 2005 containing the provisions required by the Redevelopment Agencies Act, which draft Plan has been available for public inspection at the office of the Redevelopment Agency since April 2, 2005. Copies of said Plan are also available at this hearing and may be reviewed by interested parties; and
- The Agenda of this meeting and the Notice of Meeting which has been given as required by Section 52-4-6, Utah Code Annotated.

Mr. Feil explained the Agency is going to hear comment on the Project Area Budget even though approval has not been received from the Taxing Entity Committee (TEC). He stated TEC approval would be necessary before the Board would actually adopt a budget. He explained the process of proposing this budget has already been completed, and is being put forth for public comment. Mr. Feil stated if TEC approval is received in the near future on a budget similar to what is being proposed, perhaps the Agency could go ahead with approval at a later meeting. He stated if a totally different budget is proposed, the process would have to be repeated.

Mr. Feil explained the draft budget proposes the Agency would be able to collect tax increment for a period of 15 years; however, that information in the budget as set forth year by year is not what is proposed to be binding as a budget. Mr. Feil stated it is relative to the cumulative total and how percentages set would be part of the budget for different categories. He stated this budget proposes that the Agency collect 100% tax increment for a period of 15 years (2008 to 2022); with a total cap amount of what could be collected

set at \$13,033,296. This portion of tax increment could then be utilized for public infrastructure improvements in and outside of the project area; and for other project area expenditures as allowed.

Mr. Feil stated there is also another line item for housing as required by the Redevelopment Housing Act wherein 20% of tax increment received by the Agency must be allocated for certain defined housing purposes. He stated the amount in the budget that is set aside is \$2,606,659. Another line item for the budget is for Administration; or 5% of what the Agency receives (or \$651,665). Mr. Feil stated this is the basic budget proposal; and the tax increment would be up to 15 years to the maximum amount with the money being utilized for 75% of eligible project area expenditures and infrastructure; 20% for required designated types of housing within the boundaries of the City of Riverdale; and 5% for Administration.

Mr. Feil stated the Redevelopment Agency is holding this public hearing pursuant to the provisions of Section 17B-4-402(1)(e)(i) of the Act which reads as follows:

"(1) In order to adopt a project area plan, after adopting a resolution under Subsection 17B-4-401, the agency shall: (e) hold a public hearing on the draft project area plan and, at that public hearing: (i) allow public comment on; (A) the draft project area plan; and (B) whether the draft project area plan should be revised, approved, or rejected."

Mr. Feil stated the Redevelopment Agency is also holding this public hearing pursuant to the provisions of Section 17B-4-501(2)(e) of the Act which reads as follows:

"(1) To adopt a project are budget, the agency shall: (e) hold a public hearing on the draft project area plan budget and, at that public hearing: (i) allow public comment on; (A) the draft project area budget; and (B) whether the draft project area budget should be revised, approved, or rejected."

Mr. Feil explained that pursuant to Section 17B-4-801 of the Act, the Agency Board may combine a plan hearing with a budget hearing. The public hearing record should indicate that the Agency has decided to combine the Plan hearing and the Budget hearing into one.

Mr. Feil stated the public record should reflect that at the time of the commencement of this public hearing, the Redevelopment Agency has not received from any landowner, taxing entity or interested party any written or oral objections to the adoption of the draft Redevelopment Project Area Plan entitled "West Bench Redevelopment Project Area Plan" dated April 1, 2005 or to the adoption of the draft Project Area Budget. He stated because no written objections have been received, it will only be necessary to consider any oral objections to the adoption of the draft Redevelopment Project Area Plan and Budget which may be made at this hearing.

Report of the Taxing Entity Committee

Taxing Entity Committee Chair, Shelly Jenkins, reported that the TEC had met on April 25, 2005. She stated there was a motion to approve the budget that resulted in a 4-4 tie; thus, the motion failed.

Mrs. Jenkins stated the TEC met additionally in electronic meeting on May 5, 2005; and in that meeting, only the resolution adopting the Finding of Blight was given consideration. She stated the motion did carry 5-3, and did pass.

Agency Board Question - Plan & Budget

Mrs. Jenkins inquired if amendments can be made to the budget and still come back as written; or if the budget would have to then be completely redone. Mr. Feil explained that if the changes were radical, the process would start over. He stated the Statute contemplates that the draft budget gets proposed; included public input; changes made; meeting with the TEC; upon which time changes may be based on negotiation. He stated the budget would then be considered by the Board with all comments and negotiations and then a proposed budget and display ad published within newspaper. Mr. Feil stated if the changes are somewhere in the ballpark and changed based on public comment, the process could go ahead. He clarified if the budget were to be totally different, there would have to be another set of hearings and opportunity for comment provided.

Review of Draft West Bench Redevelopment Project Area Plan

Mr. Hansen explained the West Bench was labeled because of the geography of the boundaries that were previously selected being from 5175 South to about 4800 South; and roughly between I-15 and I-84. He stated this area includes many parcels. Mr. Hansen explained that Riverdale had engaged the services of Bob Springmeyer, Bonneville Research, to conduct a study of this area. He stated as previously discussed during hearings, there appears to be opportunity to eliminate blight in this area and strengthen the economic base of the community by encouraging development.

Mr. Hansen stated the principal blight that was proposed was relocation of the power lines. He explained there are two sets of overhead high voltage power lines that dissect this area and that have proven an impediment to development. He stated this factor constitutes the request for the public infrastructure as far as increment requested to solve those issues.

Mr. Hansen stated many are familiar with the road that runs the perimeter of the Cinedome parking lot. He stated this would also be taken into consideration as infrastructure improvement; as would the potential connection of 1500 West to 5175 South. He discussed the north end connection of 1300 West which dissects the America First campus to connect that road; and stated those are basically the major infrastructure objectives that precipitated this proposed RDA project area.

Mr. Hansen discussed the desire to try to achieve optimum development and redevelopment within designed objectives. He stated there is the attempt to meet the objectives of the City through the RDA long term; and there has been discussion in previous public hearings concerning the needs in this area. Mr. Hansen stated there is no intent at the time of adoption of this plan to utilize eminent domain; and this is not a desire and is no longer an option of the RDA.

Mr. Hansen stated staff feels that in asking for this particular area to be adopted and in asking for approval of the budget itself; this tax increment would have been necessary to serve as incentive to give someone the ability to achieve these improvements. He stated the relocation of power lines and to allow the City to help take care of related infrastructure would be the main goals. He stated the West Bench Area ties into a broader regional type of attraction in the proximity to the Ogden Airport as well.

Mr. Hansen discussed the recent announcement that Adams Aircraft would be coming to manufacture small aircraft at the Ogden Airport. He stated Aerospace Enterprise Tax Credits have also been achieved from the State Department of Economic Development. He stated as far as the concept for the West Bench Plan, it was conceived a couple of years ago in Strategic Planning and from there has evolved into extensive planning consultant review and study of this area.

Mr. Feil stated he would like to go over a few portions of the plan for the general public. He stated the plan has been available for public inspection for the past 35-40 days; and he should note that there were some changes made just after the TEC met and resulted in a 4-4 tie vote and non-approval of the budget. He stated the changes have been made to the pages of the plan that refer to the budget; pages 24 and 25 have been changed to conform to the fact that this is not adoption of an actual budget as part of the plan - but flexibility in the future to obtain some type of approval. He stated this references that as being the budget; which includes 20% for housing unless that provision is waived.

Mr. Feil stated the plan itself contains provisions required by law; including the legal description of the project area, map of boundaries of project area, and standards set forth in the plan that will guide redevelopment; development objectives; and general design objectives. He stated these are general, and not particularly specific. They address such things as having adequate pedestrian and traffic circulation, good walkways, parking, standards, etc. He stated this is not particular as to what is to be built in any particular portion; but does relate to impediments and the desire to assist infrastructure and the relocation of power lines.

Mr. Feil stated there are some required limitations in the plan; including 100-acre limitation and some of the physical conditions of the area are described; including the Summary of the Findings of Blight. He stated the tax increment financing provisions of the RDA Act are included, allowing the Agency to take tax increment if there is not a project area budget approved by the TEC and adopted at a later time. He stated this includes owner participation and guidelines as adopted by the Agency several months ago; and does include the housing plan requirement incorporating 20% for the housing allocation. Mr. Feil further discussed the provision for amending the plan and various other provisions as required by State Statute to be included.

Chairman Burrows called the Public Hearing to order at 7:30 p.m. He affirmed that proper proof of publication had been given.

Mr. Feil indicated now is the time for Agency Board question period regarding the Draft Amended Project Area Plan. There were no questions or issues raised.

Mr. Feil indicated now is the time for receipt of oral objections or public comment as to whether the Draft Project Area Plan should be revised, adopted, or rejected. He stated there were no written objections submitted; however, anyone wanting to do so could now turn in written objections. He stated copies would be made and distributed for consideration.

Cora Bingham inquired as to the purpose of the 20% housing requirement.

Mr. Feil offered explanation the RDA Act was amended in 2000 to require that if any RDA received tax increment from this approach to financing; they had to spend 20% of that money on certain kinds of housing within the City. He stated this does not have to be just within the project area. Mr. Feil explained the kind of housing generally was income - targeted housing; which means housing that is occupied by persons who could afford it - if they earned 80% of the median income for the County in which the project is located. He stated there are other provisions, and the ability to use 20% in the housing project area of any type.

Mrs. Bingham stated when talking about 20% within this specific area; it has been known over the years that residential is not wanted on the hill and she feels owners could not even use their own property to build a home. She stated she does have a FOR SALE sign on her property; yet has since been led to believe that housing would not be entertained in this area. She inquired if this provision would open the door for someone else to then have this privilege.

Mr. Hansen stated this property has been listed for sale; and the question is with regard to whether this makes it attractive to a buyer. He stated he believes that housing would be permitted unless the zoning has changed. Mrs. Bingham stated utilizing this property as housing has not been a selling point. Mr. Hansen stated because of the potential of professional office tying in with the entire West Bench; it does offer a use that could be economically more advantageous if it were to be developed other than residential.

Mr. Hansen stated staff has had discussions with the property owner to the immediate south regarding some type of commercial development. Chairman Burrows stated there is the opportunity to build a home if the area is zoned; however, a property owner can continue to reside in their home in this area and are not being told to leave. He stated the intent of the RDA Board is to encourage development according to the Plan; however, zoning does allow continued residential use and subsequent ability to proceed. Clarification was offered that the area is zoned A-1, Agricultural (1 home per acre).

GeNeal Sparks, representing Leatha Myers, inquired as to the definition of a Taxing Entity. Mr. Hansen stated there is a list of different entities included on property tax billings: Weber County, Weber County School District, Sewer District, etc. Mrs. Sparks inquired if the people that reside in the proposed blighted RDA Area will have to come up with the

\$13,000,000 in tax increment. Mr. Hansen explained the RDA Area designation does not change the property levy at all.

Mr. Hansen cited the example of the Cinedome Theater having a current assessed valuation of \$500,000 for the property itself. He stated if someone comes in with a plan to tear it down and rebuild; and will put \$5,000,000-\$6,000,000 into the project; then taking the difference between the original \$500,000 and the new value is the difference to be generated. He stated this does not increase tax rates, but raises assessed value considerably because of improvements that are completed within the RDA area. Mr. Hansen offered explanation that the tax increment is paid by whoever develops the property.

Mrs. Sparks stated a letter was sent to her mother that indicated an increase in property taxes. Mr. Hansen stated if this refers to the Notice of Intent regarding this project, phrasing may indicate any increase in tax revenues from this project area. He clarified this is talking about the increase in tax revenue that comes from new construction and not because of an increase in the tax rate. Mrs. Sparks expressed concern that her mother's property is zoned A-1 and improvements are not being made to it. Mr. Feil stated the City would have to conduct a public hearing in order to be able to raise taxes.

Mrs. Sparks inquired as to a potential developer waiting in the wings - either one large project or several smaller developments. Chairman Burrows stated it would make the most sense to provide one large development, but the RDA must first be approached.

Mr. Feil stated now is the time for Taxing Entity Question period and response by Agency Staff. There were none.

Mr. Feil stated now is the time for presentations by other parties having an interest; or those within the 300-foot area.

Marc Desobeau, 5131 S. 1275 W., stated he owns a bordering property. He thanked the Board for this discussion and clarification, stating he would have assumed that the residents living within the proposed area would be responsible for the \$13,000,000 increase over a period of time. He inquired as to the boundaries; and the breakdown between private and commercial properties. Mr. Hansen stated there are 10-12 residences within the project boundaries and the other parcels are more commercial by nature. He stated there are some agricultural, as mentioned.

Inquiry was raised as to any long-range plans to make a subdivision in this area. Mr. Hansen stated most likely not. He stated the best use and highest value would be some type of professional commercial use with retail at the Riverdale Road areas. Assurance was made that the necessary hearings would be held. Mr. Hansen stated a major factor and primary concern is for relocation of those power lines.

Chair Burrows explained the proposal at this time is most likely in the location where the power lines crest the hill above Golden Spike northwest to the freeway to try and accommodate the burial of power lines. He discussed the price tag from Utah Power of approximately \$5,000,000 to get this done; stating there is no way the City can accommodate this and developers feel this is not reasonable for them to bear that burden either.

Mr. Desobeau inquired as to any way to incorporate a guarantee to strengthen the infrastructure. Mr. Hansen discussed the proposed road at the Cinedome Theater and the changes in that area also to be included. Mr. Feil stated these infrastructures are not guaranteed, but rather, dependent on money and future developments. Mr. Hansen stated there has to be increment received in order to achieve these objectives. He stated without it, that kind of burdens fall on 8000 residents in Riverdale as well as competing with the Capital Improvements budget and competing citywide projects.

Inquiry was raised as to whether the power lines can be relocated if the RDA Area is not approved; and whether there is some type of alternative plan or backup. Chair Burrows explained not for that kind of price; as it is significant process to place the lines underground.

Gary Baumgartner inquired as to the vacant TCI building location and whether it would be demolished. Mr. Hansen stated since it is so new, he would not anticipate demolition and would hope that another user would come in and make use of it. Discussion followed regarding the proposed joining of the road in this area, with Chair Burrows stating the Master Road Plan has always said that road would continue. He stated establishment of this project area appears to be the most feasible way to get it done without putting it on the backs of the residents.

Mr. Feil offered clarification this is one hurdle to be jumped over if the Agency were to adopt the Project Area Plan. He stated another hurdle to be jumped over in order to get any money is to get the Project Area Budget approved by TEC and then the RDA must approve that budget before they can get any money. He stated adopting the Plan does not clear the way for obtaining funding necessary to clear the power lines, etc.

Mrs. Jenkins stated if the Agency were fortunate to be able to obtain TEC budget approval, would there then has to be another public hearing to adopt this budget. Mr. Feil stated if the budget is close to what is proposed, the budget could be adopted by resolution at another public meeting.

Mr. Hansen stated if the Plan and Budget are adopted today; only the Plan can be adopted and the plan would be financially on the back burner. He stated adoption would be of the Plan itself. Adoption of the Plan does give the RDA Board the ability going forward to try to achieve development in accordance with the Plan. Discussion followed relative to obtaining other sources of funding to try to encourage development (CDBG funds, etc.)

Inquiry was raised as to questioning the window of time. Mr. Feil explained they are going ahead now because the window of time from adopting the Plan is within one year of adopting the Findings of Blight. He stated the 15-year budget covers the years the budget covers; and if waiting a year or two, a different budget may be presented. Chair Burrows explained the plan is not restricted by the time, only the budget. Mr. Feil stated the base year would change because base year taxes would continue to flow through to all taxing entities; and it would move back another year every November 1. He offered clarification the budget would begin as of the date of the approval of the TEC establishes the base of year in which to begin.

Mr. Baumgartner discussed the 15-year budget on a proposed tax base and yet there is no spending money to get the ball rolling. Mr. Feil stated there is always the possibility there could be other types of funds such as grants or economic development funding sources. He stated mainly what happens in a situation like this is that a specific proposal may come forward. He stated at that point, staff may be able to come back to the TEC with a real proposal and perhaps have a modified budget approved at that time. He stated that project being built could then create the money to move the power lines. Mr. Feil stated most likely, the developer would be told there is a plan in place and budget (hopefully). They could be promised repayment should they move the power lines. Such repayment could then be made after payment of taxes on those brand new offices.

Motion There being no further public comment forthcoming, Mr. Gibby moved to close the public hearing. Mrs. Jenkins seconded the motion. The motion passed unanimously. The hearing closed at approximately 8:03 p.m.

Summary of Evidence Presented and Findings of Agency

Mr. Feil referenced the Summary of Evidence and Findings of Agency. He stated the Agency must take into account comments received and all documents as presented; blight hearing, findings of blight, etc.; and then go forward in determining whether they are able, based on evidence and documents, to adopt findings that are set forth in this document. He referenced Findings A - J; needing to be set forth to effectuate public purpose because of property blight, public benefits to be retained; recital of the goals and purposes as set forth in the plan and intended accomplishments to adopt and carry out economically sound and feasible development.

Mr. Feil stated tax increment financing has been explained; and the Agency cannot go and obligate to debt where there is not tax increment coming in. He stated if limit to approving obligations is to be funded by tax increment; it is feasible to carry out the plan this way. He stated instead of adopting the resolution containing these finds; they can choose whether or not to adopt these findings in affirmative based on information - as opposed to the purely legislative act of adopting the resolution.

Motion Mr. Haw moved to adopt the Summary of Evidence Presented and Findings of Agency for the West Bench Redevelopment Project Area as presented. Mr. Gibby seconded the motion. The motion passed unanimously.

Resolution #R11-2005 adopting the West Bench Redevelopment Project Area Plan dated April 1, 2005

Mr. Feil indicated now is the time for consideration and adoption of the proposed resolution adopting the West Bench Redevelopment Project Area Plan dated April 1, 2005.

Motion Mr. Gibby moved for approval of RDA Resolution #R11-2005 adopting the Project Area Plan dated April 1, 2005 and entitled "West Bench Redevelopment Project Area Plan". Seconded by Mr. Gibby.

Roll Call Vote: Mrs. Brough, Yes; Mr. Gibby, Yes; Mr. Haws, Yes; Mrs. Jenkins, Yes; and Mr. Hadden, Yes. The motion passed unanimously.

Recess to City Council

Chair Burrows called for a motion to return to complete the City Council Agenda at 8:09 p.m.

Motion Mr. Gibby moved to recess back to the City Council Agenda in favor of completion of the West Bench Redevelopment Project Area. Mrs. Brough seconded the motion. The motion passed unanimously.

The meeting reconvened at 8:29 p.m.

Discussion and Consideration - Action on Recreational Tax Increment

Mr. Hansen explained his intent this evening is to discuss reconsideration of the agency request for RDA recreational tax increment from taxing entities. He stated legislation changed mid-stream during the project's 25-year life; and the agency requested the increment per statute as a result. He raised the question as to whether these taxes should flow back to the other taxing entities as was originally intended when the plans were adopted; or should Riverdale City receive the increment to deal with proposed purposes. He inquired if the proposed uses serve a purpose that would be perceived to benefit a broad base of the population in and around Weber County.

Mr. Hansen stated the Board is aware that when Ogden City elected to receive increment from 10 RDA areas, this appears to have precipitated SB184 to mandate RDA changes. He stated other associations have since stolen the agenda to represent unfavorable publicity; and he has not been able to respond appropriately or properly to say this is justifiable to take and utilize these funds.

Mr. Hansen stated in recent meetings with Weber County, one topic of current discussion is Riverdale in particular. He stated only Ogden, North Ogden and Riverdale have requested this recreational increment. He raised the issue as to whether the taxpayers would bear some additional burden if the other taxing entities choose or feel compelled to increase their tax levy because Riverdale City receives this increment. He stated when talking about the broad perception of benefit to all county taxpayers; Riverdale will now be within the mix of both Ogden and North Ogden. He stated as a result, he feels there will be resulting public and media attention. He inquired if the Board will be able to feel in fairness that the proposed uses will be perceived fairly amongst Riverdale constituents; or on a broader basis

if they feel improvements transpire to an area basis and are not just viewed as Riverdale being greedy and grabbing this money.

Mr. Hansen tied the recreational increment back to the certified tax rate. He stated Riverdale has already requested and pledged this increment; however, this does not mean the Board has to go forward at this point. He stated in his conversations with Weber County, they will have to make a determination of the aggregate amount of hit this will place on their budget and then factor this in to the truth and taxation rules regarding the certified rate. This then gives them the opportunity to raise their tax levy to all levels in the county without challenge by public hearing and without a vote.

Mrs. Jenkins raised the issue as to the haircut provision, and whether consideration was given as to what would happen when pledges were received. Mr. Hansen stated he perceives this as being unanticipated fallout. Discussion followed regarding legislative happenings, and concern that change may be attributed to Riverdale, North Ogden and Ogden. Mr. Gibby inquired as to leverage in terms of the RDA budget. Mr. Hansen explained that Riverdale City would typically revert to the Capital Projects fund to finance the proposed improvements. He stated if proposed projects merited community support on a basis extending beyond Riverdale City, perhaps RAMP funding could be obtained to leverage City funds; and the last resort would be to delay or bond for the improvements.

Mr. Hansen inquired as to harmony with goals, and whether completion of the proposed uses are in harmony with both the General and Strategic Plans and is supported in principle (without regard to the use of tax increment financing) by the community wide survey. He stated the question at hand is whether or not to proceed; as he has to meet with Weber County because they are at the point where they have to begin the process to calculate the certified tax rate. He stated the window of time is right now, and perception is a big thing.

Mr. Hansen stated he would suggest perhaps the Board make a concession in light of the controversy that has been precipitated by projected use of increment by a large neighbor. He suggested Riverdale take the high road in that the statute changed mid-stream, and perhaps it is only fair this money flow back to the taxing entities. Discussion followed regarding whether the recreational increment is relative to West Bench area prospects, and inquiry was raised as to whether Weber County has any leeway with the Taxing Entity Committee. Mr. Hansen stated they have two representatives; one for and one against.

Mrs. Jenkins discussed North Ogden City and the fact their swimming pool project is already underway. She inquired as to how soon the tax levy affects will become available. Mr. Hansen stated Ogden City is the bulk of the change; and the North Ogden hit is unknown. He stated they may have obligated themselves financially; as they were the first to jump on this funding and started with a sales tax revenue bond which could be replaced with other financing.

Mr. Hadden inquired as to interplay between RAMP and recreation funding, with Mr. Hansen stating everyone in the county voted on RAMP and it passed. Mr. Hadden inquired as to how much will be made back on RAMP tax money if the county loses this money to recreation

purposes. Mr. Hansen explained the county only benefits if the county has approved projects for RAMP money; and there are two different committees to go through before the County Commission can make this request. Discussion followed regarding the purposes of RAMP, with Mr. Hansen offering explanation this does not flow through the county's general fund. Chairman Burrows explained the county does have discretion on spending because of County Commission approval, but it has to be earmarked projects so it cannot replace recreation funds. He stated to use RAMP will not reduce taxes, because they have that money in mind for particular projects.

Mr. Gibby stated these revenue shortfalls have to be made up by tax increases and appear to be an underhanded way for the Legislature to hurt the other taxing entities. He stated on the other side, it seems like if you give something up it would be nice to negotiate the West Bench RDA area budget that is critical to development in Riverdale and would have resulting impetus in terms of development within Weber County as well. Mr. Hansen stated Riverdale could strongly play that card if they could get someone on the scene that would like to run with the West Bench area. He suggested perhaps modification or revision of the project area budget may provide the ability to retain the swing vote. He stated potentially, Riverdale could start by taking the high road and listen to the sentiment to reflect they could have taken the money, but will instead let this flow back through to the taxing entities. He discussed the desire to deal with this issue fairly.

Mr. Hansen continued that everything is on the table with the new tax committee in their charge to review everything. He stated they are not only concerned about streamlined sales tax, but overall, the distribution. This committee of the legislature is going to decide tax policy for the state and for local governments. Mr. Hansen stated Riverdale is in the cross hairs on sales tax issues bigger than on RDA; as 70% of our budget is sales tax. He inquired as to the perception for greed and Riverdale wanting to become the poster child. He stated Riverdale has been fiscally conservative and never thrown money around, yet has retained a lobbyist to help. He stated he would like to receive the benefit of the doubt in going forward.

Chair Burrows stated this is money that was not expected, and he feels that under the circumstances, should most likely be avoided in order to strive for greater good and to pick the higher road. Mrs. Jenkins stated the combination of RDA and sales tax funds is \$3.3 million and it might be lonely on the high road with no money; and this community will suffer. Discussion followed regarding the fact that a recreation project will have to be started by December 1, 2005; with Mr. Hansen stating the various county and state issues will not be decided until the next legislative session.

Mr. Haws suggested opting for the recreational increment; completing a couple of projects; and then not collecting it all. Chair Burrows stated he feels this would still look bad and Riverdale would still not get everything they wanted. Mr. Hansen stated Riverdale has a chance to distinguish their RDA Agency. Mrs. Jenkins stated she does not see that Riverdale will be viewed favorably either way.

Discussion followed regarding the concept that Weber District schools are held harmless on this recreational increment. Mr. Hansen stated all other taxing entities would be affected. Mr. Gibby stated he feels like Riverdale should take the high road. He suggested giving up the increment by stating although it was being counted on for several important projects, after learning of the potential bind this causes it was felt best in order to be good citizens. He stated this affects Riverdale as well as the county; however, he would want the county to remember this in terms of consideration or reciprocity in the future. Mr. Hansen stated he could attempt to play that angle as best as possible.

Mr. Hansen stated if North Ogden City is bound to take the increment because they already financed; and Ogden City will take it too; Riverdale will not be party. It was stated that the tax rate will increase regardless; and Mr. Hansen inquired if the Board wanted Riverdale to be distinguished amongst those three. He stated at the moment, the public does not know of Riverdale's request; and now is the time to rescind before political pressure or public flack. He stated he would like to present this withdrawal as indicative of listening about the RDA; and as a result, not being party to accepting this recreational increment.

Mrs. Jenkins expressed concern that although this political issue is on the Board's shoulders, what would happen if residents were asked to give up \$3.3 million in recreation funds that may not come back to us in any other way. She stated the city already may have to give up funding because of pending sales tax issues; and they have fiduciary commitments to this community. Mr. Hansen reminded the Board this funding was not anticipated in the first place. Mrs. Brough stated this is not an easy issue because of the many places this funding could be spent. She expressed concern that projects keep getting shuffled because there has not been funding. She stated although she understands the implications; this is a bitter pill to swallow.

Mr. Haws expressed concern as to the potential future need to somehow make up a significant portion of sales tax loss. He stated there is simply no way to trim budget expenditures that much. Mr. Hansen stated if not held harmless, there would have to be resulting stringent measures relative to restructuring and outsourcing, etc. Mr. Haws stated he does not see any way within the Riverdale structure to cut that cash; and that Riverdale would have to reinvent government. He stated even a substantial increase in property taxes would not balance this loss.

Mr. Hansen stated property taxes would have to increase ten times, and there is no way to replace sales tax. Mr. Hansen stated these are two different entities and two different funds. He stated the discussion at hand is General Fund and specific uses or projects that are identified. Mrs. Jenkins stated although she appreciates wanting to take the high road, she does not want to appear foolish and alone on that high road. Discussion followed regarding the perception of Riverdale, and the lack of sympathy from surrounding entities.

Mr. Hansen stated the recreational increment was not only requested for 2005; but requested in 2003 for tax year 2004; however, this still has to come because the county was unable to operationally effect the allocation. He stated this is not just for this year; as it plays into certified rate calculations for one year behind. He stated Weber County is

preparing to factor this into their calculations as well. Mrs. Jenkins inquired as to how long Riverdale can push the envelope before making a final determination as to whether they want the increment or not. Mr. Hansen stated next week is the deadline, as Weber County has to calculate their certified rates.

Mrs. Brough suggested forgiving the first year of increment. Mr. Hansen stated he is sure this would be factored into their calculations: \$170,000 last year and \$180,000 this year. Mrs. Jenkins stated the real issue is whether Riverdale can afford to maintain anything that is built; and not just affording to build. Mr. Hansen stated regardless of the position taken, there is not much sympathy within the community.

Chair Burrows stated he is in support of not taking the increment; however, the RDA Board has to make the determination. He stated Mr. Hansen is in need of direction. Discussion followed regarding the fact that when the resolution electing to receive the tax increment was adopted, the Board was not aware of potential affects on certified tax rates.

Motion Mr. Haws moved to repeal RDA Resolution #R17-2004 as adopted December 21, 2004, electing to receive additional tax increment and pledging additional tax increment revenues for cultural and recreational facilities, pursuant to Section 17B-4-1003 of the Utah Redevelopment Agencies Act.

Mrs. Brough stated she would suggest utilization as a negotiation tool rather than giving it up entirely. Mr. Hansen stated the only way this becomes a tool is when dealing with Weber County going forward. Mr. Hadden stated perhaps the City should put together a press conference to inform the public as to what is transpiring and why. Discussion followed regarding the potential to open a Pandora's Box resulting in fall out that could be negative as well. Mr. Hadden offered the comparison of the rumor mill versus presentation of facts.

Discussion followed regarding the affects to certified tax rates over 20 years and actual costs to the public. Mr. Hansen stated it most likely would be an immaterial amount, but does affect everyone within the county. He stated it boils down to an ethical question versus legal.

Mr. Haws inquired as to what is to stop the legislature from taking the recreational increment away even after having been pledged. He stated they could rewrite and remove. Chair Burrows stated the legislature is looking at taking this issue off the table right now in consideration of other RDA issues. Mr. Hansen stated although changes may occur, historically those who had commitments of bonding and financing have tried to be held harmless.

Call to Question

Mr. Gibby, Yes; Mr. Haws, Yes; Mrs. Jenkins, Yes; Mr. Hadden, Yes; and Mrs. Brough, No. The motion passed 4-1.

Chair Burrows stated he hopes that Riverdale will realize long-term positive effects as a result of this generous repeal.

With no other business to come before the Board at this time Mr. Gibby moved to adjourn the meeting. Seconded by Mrs. Jenkins. The motion passed unanimously. The meeting adjourned at approximately 9:51 p.m.

Attest:

Approved: August 2, 2005

Larry Hansen
Executive Director

Bruce Burrows
Chairman