



Minutes of the **Meeting of the Board of Directors of the Redevelopment Development Agency of Riverdale City** held Tuesday, **May 16, 2006** at 7:11 pm at the Riverdale Civic Center, 4600 South Weber Drive.

Members Present: Bruce Burrows, Chairman
 David Gibby
 Stacey Haws
 Shelly Jenkins
 Doug Peterson

Members Excused: Gary Griffiths

Others Present: Larry Hansen, Executive Director; Randy Daily, Community Development Director; Stevin Brooks, City Attorney; Marilyn Hansen, City Recorder; other city staff and approximately 9 citizens.

A. Welcome and Roll Call

Chairman Burrows called the meeting to order and welcomed all those present. He noted that Mr. Griffiths was out of town and had asked to be excused.

B. Informational Items

1. Open Communications

Chairman Burrows called for open communications.

Brent Ellis stated he lives on the west bench of Riverdale and spoke on the alternate site for the UP&L substation. Last time this item was on the agenda, he spoke out against it. He feels with the alternate site and if UP&L will be considerate of residents and take into account the Herridge Study that we, as neighbors, don't have objections. He did state concerns over the irrigation water pipes that run through the area and asked if that could be addressed in the plan. He is also concerned about increased traffic as the substation and other developments may be put in. He requested that a traffic study be done in this area.

Chairman Burrows reported that UP&L has been made aware of the water issues and that they will need to be resolved. He also reported that the Herridge Study didn't have a traffic study performed, but that there was a traffic plan included. Chairman Burrows indicated that traffic studies would be done as we go forward.

C. Consent Items

1. Consideration of the May 2, 2006, RDA special meeting minutes.

Chairman Burrows reported the Redevelopment Board has before them the minutes of the Special Meeting of May 2, 2006.

2. Review of Redevelopment Agency Financial Statement – April 30, 2006

Mr. Hansen stated that the RDA Board had a copy of the financial statement in their packets. He reported that the funds are doing well and that the Senior Center is now sustaining itself and some of the funds could be placed back into the general fund to offset the costs of mowing and plowing, etc. He noted that the only negative to report is the increase of interest rates, as they are tied to a variable rate, but it is still a good rate. He reported that the sun shines directly on the thermostat in the Senior Center cafeteria. They are looking to install blinds on the windows opposite the thermostat to eliminate this problem. Councilor Jenkins discussed that there is a film that can be put on the inside of the windows to reflect the sun and that sometimes this gives better protection than blinds.

Motion: Mr. Gibby moved to approve the consent items as presented. Mr. Peterson seconded the motion. The motion passed unanimously

D. Action Items

1. Executive Director

a. Consideration of adoption of Tentative Budget – FY 2007

Mr. Hansen reported that these items were all properly agendaized and that we are still on track to complete what we need to set the Public Hearings for June 6th.

Motion: Mr. Gibby made the motion to adopt the tentative Budget for FY 2007. Mr. Haws seconded the motion. The motion passed unanimously.

b. Consideration of setting a public hearing on June 6, 2006, to receive and consider public comment regarding proposed FY 2007 budget.

Motion: Mr. Gibby moved to set the public hearing for June 6, 2006 to receive and consider public comment regarding the proposed FY 2007 budget. Mr. Haws seconded the motion. The motion passed unanimously.

c. Consideration of setting a public hearing on June 6, 2006, to receive and consider public comment regarding amendments to FY 2006 budget.

Motion: Mr. Gibby moved to set the public hearing for June 6, 2006 to receive and consider public comment regarding amendments to the FY 2006 budget. Mr. Haws seconded the motion. The motion passed unanimously.

d. Consideration of Financial Analysis – 550 West Project Area.

Ms. Jonnalynne Walker stated that she has reviewed the proposed development pro forma for the commercial/retail project located in the 550 West Redevelopment Project Area. The proposed development contains 202,000 square feet of retail and restaurant space on

about 16 acres. It is anticipated that construction of the development will take place beginning in 2006 with the majority of construction occurring in 2007, according to a representative from the Boyer Company. She noted that this project will cover approximately 35% of the total project area and is a typical redevelopment area project in that public infrastructure must be put in to make the development happen. This project will require the movement of power lines, a signalized intersection at 550 West and connecting the road to Pacific Avenue. She discussed that the greatest part of public infrastructure always falls at the beginning when there is the least amount of funding. She stated she looked at three factors 1) does the project fall within the parameters of the originally adopted budget; 2) what are the impacts and special circumstances that would affect tax income generated dollars and 3) to calculate the bottom line total tax increment collected.

Ms. Walker explained that redevelopment project areas have a base taxable value established by the County, which includes the sum of the assessed values of real, personal and state assessed properties in the project area. Whatever the existing assessed value is at adoption of the project area, becomes the base taxable value of the project. That base value is frozen and remains at that level over the fifteen year period and those taxing entities will continue to receive the same amount of tax during the life of the project.

Ms. Walker discussed that because the tax base is frozen, there can be a gap between the tax increment generated in a project area and the cost of public infrastructure. She stated that the projected public infrastructure costs are \$3,220,800 and the estimated tax increment generated and available for the eligible project area expenses are \$2,066,168. The difference between the infrastructure costs and the tax increment level must be made up in order to hold the base tax harmless. She reported that the way to mitigate this loss is to build out the remaining 29 acres in this RDA area and keep the inflow of as much new personal property that is coming on, at the highest levels of value and least level of depreciation.

Mr. Haws inquired as to what is in the 29 acre project area. Mr. Hansen displayed a map of the RDA project area. Mr. Gibby noted that there were a lot of old homes with fully depreciated values in the area. Ms. Walker stated that residences are not part of the personal property tax base as only commercial businesses are assessed personal property tax.

Ms. Walker distributed a chart demonstrating the gap between the tax base and the tax increment as well as a Tax Increment Analysis. She stated that even though there is a deficit between the tax base and the tax increment, this project has many benefits and without the completion of the signalized intersection of 550 West, this project will not go through. She also indicated that because Riverdale Road is part of another RDA Project Area, additional monies could be used from that project area to benefit this area.

e. Discussion of Construction punch-list issue resolution and one-year warranty walk through with contractor and architect.

Mr. Hansen reported that he met with the contractor and architect as well as a couple of the sub-contractors at the Senior Center about a month ago. There were outstanding items that were reduced to writing. One of the main issues was the HVAC balancing problem. The contractor recommended a couple of solutions such as, turning the supply

fan on to run constantly between the zones or relocate some of the thermostats. Possibly placing wall heaters that are programmed and timed in the restrooms was also discussed. Some completed projects are: installation of handicapped signs, outside sprinkler leak fixed, water softener fixed and occupancy load signs completed. They are requesting \$17,500 to pay for what work has been accomplished. Mr. Hansen reported that there is still some exterior site work to be done and he is not proposing to pay for that or the interior leaking of the fire sprinkler system. The fire sprinkler system has leaked since it was installed. The contractor issued a letter that they will extend the warranty on the fire sprinkler system for one additional year. Mr. Hansen noted that it is the threaded connections that are causing the problem. The warranty letter stated that workmanship will be covered on threaded fittings only and that any threaded fittings will be covered at no cost. It went on to say that all other fittings and sprinkler heads will not fall under the extended warranty. Mr. Hansen felt that this was not an acceptable solution and does not feel that the fire sprinkler system portion of the bill should be paid until it is repaired. He reported that there is still \$25,000 of construction costs that the Kier Corporation wants to collect for the fire sprinkler system and the exterior site work. Mr. Hansen felt that at least \$10,000 is needed to repair the fire sprinkler system. He indicated that there had been approximately 50 outstanding items and there are now only 7 or 8 left.

Ms. Jenkins asked about the parking lot repairs. Mr. Hansen replied that there are some areas where water has collected. He indicated that the parking lot would receive a slurry seal and then be re-striped.

2. Department of Community Development

a. Consideration of alternate site – West Bench Area – UP&L Substation

Mr. Hansen displayed a map of the original proposed site and the alternate proposed site for the UP&L substation. He stated that there have been discussions with a private third party and the owners, and that they may be able to come to terms on acquiring this alternate site. Mr. Hansen also has a letter from UP&L stating that they would find this alternate parcel acceptable for the location of the substation. He stated that in addition to a successful acquisition of the property, there is an issue regarding the right-of-way on Cozy Dale Road. This right-of-way needs to be obtained in order for the foot print of the substation to fit. The right-of-way needs to be deeded to Riverdale City as and easement from Weber County and he is expecting to hear something from Weber County this week. Mr. Hansen noted that there has been discussion that the proposed substation, on the alternate site, would be built on an elevation equivalent to 4800 South Street, which is lower than the original parcel. He reminded the Board that the other parcel was tabled by the RDA Board and that staff is recommending favorable consideration for this site for the use of a substation providing that the deal can be worked out. Mr. Hansen explained that what they are asking tonight is would the RDA Board find this alternate site an acceptable location for the use of a substation.

Mr. Gibby disclosed that he currently holds the option on this property and is working with developers to help facilitate this transfer.

Ms. Jenkins asked if staff has reviewed the Herridge study and what affect this would have on this parcel. Mr. Hansen stated that when the Herridge study was done they didn't anticipate a substation being built in this area. He stated that he has met with

Credit Union and reviewed some concept plans that they have for hillside and this site is compatible with their future plans.

Mr. Gibby discussed that if we need to have it somewhere it needs to be built where it will have the least impact. He has talked with people at the power company to try to convince them that other options could be considered. At this juncture the options are to have it built on the Bingham property, the Gibby property, or go to court.

Mr. Haws asked if the power company has looked at this land to get a possible idea as to where they would put the substation and how far off the current 1500 West would it go. Chairman Burrows indicated that it would be as close to I-15 as possible. Mr. Peterson noted that he drove out there and this property is lower in elevation than the original site. Chairman Burrows discussed that there would need to be some excavation of this site and that the site plan still has to be worked out. Ms. Jenkins stated that given this information she felt their best choice would be to potentially approve the use for this site. Mr. Hansen stated that staff is recommending to the RDA Board to approve the alternate site with the condition of obtaining and vacating the necessary Cozy Dale right-of-way. Mr. Haws asked that it also be conditional on UP&L obtaining the property.

Motion: Mr. Peterson moved to approve the use of the substation on the alternate site, located at approximately 4857 South 1550 West, conditional upon UP&L obtaining the property and Riverdale City obtaining the 1550 West Cozy Dale right-of-way. Mr. Haws seconded the motion. The motion passed unanimously.

E. Discretionary Business

None

With no further business to come before the Board at this time, Mr. Haws moved to adjourn the meeting. Mr. Gibby seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 8:47 p.m.

Attest:

Approved: June 6, 2006

Larry Hansen, Executive Director

Bruce Burrows, Chairman