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Minutes of the **Meeting of the Board of Directors of the Redevelopment Agency of Riverdale City** held Tuesday, **November 21, 2006** at 7:23 pm at the Riverdale Civic Center, 4600 South Weber River Drive.

Members Present: Bruce Burrows, Chairman  
David Gibby  
Stacey Haws  
Gary Griffiths  
Doug Peterson

Members Excused: Shelly Jenkins

Others Present: Larry Hansen, Executive Director; Steve Brooks, City Attorney; Randy Daily, Community Services Director; Marilyn Hansen, City Recorder and approximately 2 citizens.

## **A. Welcome and Roll Call**

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

## **B. Informational Items**

### **1. Open Communications**

Chairman Burrows called for open communications. No comments were given during Open Communications.

## **C. Consent Items**

### **1. Approval of the October 17, 2006 RDA meeting minutes.**

### **2. Report on Condition of the Treasury for the month ending October 31, 2006.**

Larry Hansen stated that they have been worked with auditor Brent Litz but have had some difficulties in reporting by fund. He stated that he is trying to get together with Jonalynn Walker, Brent Litz, and Lynn Fortie before presenting that information to the RDA Board.

### **3. Accept the Annual November report dated November 1, 2006.**

Larry Hansen reported that this is a statutory compliance report that they are required to prepare each year. He noted that Jonalynn Walker helps with the tax increment on a current calendar year basis and on a prospective next year calendar basis and estimates the tax increment for each of the project areas. Councilor Haws inquired why we weren't expecting Boyer to pay any excess property taxes next year. Mr. Hansen stated that January 1 of each calendar year becomes a property tax lien date. In January 2007, dirt will be being moved, but there won't be any improvements to be taxed, but by January 2008 we should see multiple million dollars of improvements completed.

### **4. Accept Litz and Company FY 2006 Audit Report.**

Chairman Burrows indicated that this report had been presented during the City Council Meeting.

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

**Call the Question:**

The motion passed unanimously.

**D. Action Items**

**1. Consideration of Resolution #R6-2006 adopting 550 West Agreement to Develop Land (ADL) with Riverdale Center IV, LC.**

Larry Hansen stated that adopting an Agreement to Develop Land will allow for the financial mechanism for this work to proceed relative to the RDA and allow the City to be able to accomplish its purposes in the construction of the 550 West street connecting Riverdale Road to Pacific Avenue as well as the relocation of power lines, utility work, etc. It will also enable the Developer to finalize assembly of the parcels by allowing for the City to purchase the Sound Warehouse property. As the City doesn't have the funds to make this purchase, the ADL allows the developer to front the money to the City as part of the reimbursement agreement. Mr. Hansen explained that Randy Feil, the RDA attorney has prepared this agreement and they have spent hours and hours going over revisions and now feel that it is ready to go. He noted that the increment is a refunding of property taxes that the developer and property owner pay. The RDA withholds 5% of the tax increment for administration fees and 20% for housing with the balance to be available to negotiate a reimbursement agreement, fronting the cost to get this project area completed. Mr. Hansen discussed that there may be a discrepancy in the increment collected as the RDA project area is larger than the 550 West project site and it is possible that the improvements made by this development could help increase the tax increment collected. He reported that Jonalynn Walker initially estimated \$2,159,279 in tax increment but that the developer has estimated \$3,330,105. Mr. Hansen recommends establishing a targeted range not-to-exceed \$3,330,105 for the tax reimbursements as outlined in the ADL as the infrastructure costs exceed the estimated increment that would be generated.

Lew Swain, with Boyer company stated that Mr. Hansen has accurately described the facts and expressed appreciation to Mr. Hansen and staff. He stated that according to Ms. Walker's evaluation the project area will produce increment back to the project of \$140,000 per year. He indicated that amortizing the actual costs of the project over 15 years requires \$220,000 per year. He is requesting that the RDA Board consider using some of the tax increment from the larger project area to help close the \$77,000 gap. Mr. Swain stated that we could use the economic development track as permitted by the legislature this year and again expressed appreciation for the hard work of the staff on this project.

Mr. Haws asked what the other parts of project area include. Mr. Hansen replied that it is between Farmers Insurance and Best Buy up to the buildable areas on the slope on 300 West. It includes the Savon building, the new Chevron and a small piece on the North end of Shopko and Toys R Us. He stated that there is roughly 35 acres overall. Mr. Hansen explained that he is opposed to using the current legislation regarding economic development as that would take them back into the Tax Entity Committee. He stated that someone may come in on the East side where those homes are, and buy up parcels and do what Boyer did

and if you commit other project increment to this ADL, it may make it difficult to be fair with another developer. Mr. Hansen discussed that if they were to consider something on the other project area, it should be a fractional percentage. Mr. Gibby asked if they approve the Resolution tonight are they approving existing language. Mr. Hansen explained that the ADL refers to the increment generated on site. He stated that they could add from the 550 West project area and a percentage of the increment or they could choose to adopt it as is and revisit it down the road. Chairman Burrows stated that we are not unsympathetic to what Mr. Swain is saying but until they have a better knowledge of what is going to take place he is concerned about going against the advice and counsel they have been given.

**Motion:** Mr. Gibby moved to adopt Resolution R6-2006 authorizing execution of an Agreement to Develop Land between the Riverdale City Redevelopment Agency Board and Riverdale Center IV, LC. Mr. Peterson seconded the motion.

**Call the Question:**

**Roll Call Vote:** Mr. Peterson, Yes; Mr. Griffiths, Yes; Mr. Gibby, Yes, Mr. Haws, Yes. The motion passed unanimously.

**E. Discretionary Business**

None

**F. Adjournment**

With no further business to come before the Board at this time, Mr. Peterson moved to adjourn the meeting. Mr. Haws seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 8:16 p.m.

Attest:

Approved: December 19, 2006

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Larry Hansen, Executive Director

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Bruce Burrows, Chairman