

REDEVELOPMENT AGENCY
of the
CITY OF OREM
July 22, 2014

CONDUCTING Chair Richard F. Brunst, Jr.

BOARD OF DIRECTORS Hans Andersen, Margaret Black, David Spencer, and Brent Sumner

APPOINTED STAFF Jamie Davidson, Brenn Bybee, Richard Manning, and Donna Weaver

EXCUSED Tom Macdonald and Mr. Seastrand

The Redevelopment Agency (RDA) Meeting convened at 7:01 p.m.

APPROVAL OF MINUTES – June 10, 2014

Mr. Andersen **moved** to approve the minutes of the June 10, 2014, Redevelopment Agency Meeting. Mr. Sumner **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, David Spencer, and Brent Sumner. The motion **passed** unanimously.

SCHEDULED ITEMS

RESOLUTION - Authorizing the Preparation of a Draft Community Development Project Area Plan and Budget

Brenn Bybee said that last year the City Council had approved a rezone of the area that is proposed to be included in a new University Place Community Development Project Area (CDA). This area was defined visually in Exhibit A of the attached resolution. Since the rezone of the University Place area, Woodbury Corporation (the site developer) began meeting with City officials about the prospect of creating a new CDA associated with this area. If the City decided to go further than this initial step, the entire process must be consistent with all applicable noticing laws and regulations as defined in Title 17C of the Utah Code, known as the Limited Purpose Local Government Entities—Community Development and Renewal Agencies Act. This law was what provides Utah’s local governments the authority to conduct economic development activities within their communities through their Redevelopment Agencies. This act also allows agencies to create Community Development Project Areas (or CDAs).

Generally, all project areas function under a few basic principles.

1. All provide an ongoing funding mechanism from property (and sometimes sales taxes) within a geographic area designated as a “project area.”
2. A base year value is established and taxing entities continue to receive their respective property tax collections from that base year value.

3. Any additional taxable value (or “tax increment”) and the associated property taxes generated from development within the project area are then made available to agencies to conduct economic development within the project area.

Some uses of tax increment include providing funds to upgrade private and public facilities, funding infrastructure improvements, purchasing land, providing development incentives, pledging funds to repay or secure bonds, etc. Each project area type is envisioned to address specific sets of circumstances and thus have different nuances, purposes, and abilities. The University Place CDA plan and budget would identify the details associated with any potential tax increment financing that might be used to replace, expand, or improve the infrastructure that directly benefits its particular Project Area.

In other words, the intent behind beginning this particular process of adopting a new CDA would be to provide a means whereby Orem City’s Redevelopment Agency can consider the merits of assisting in the economic development and redevelopment activities associated with the University Place area. This process would include drafting a plan and budget for the Project Area, which would then be brought back for official approval by the RDA Board before it would be implemented. The budget and plan associated with this CDA would also need to be officially approved by all affected taxing entities.

Mr. Bybee said action tonight would merely begin the process but would not commit the City to create the CDA.

Mr. Andersen said it looked like it gave various ways to give subsidies to the mall. He wondered about the limits.

Mr. Bybee said that would be determined by the five taxing entities, who would negotiate those limits.

Mr. Davidson invited Kelly Pfof of Lewis Young Robertson & Burningham to address the issue.

Ms. Pfof said the RDA would create a development agreement with the developer. Increases would only relate to new infrastructure. There would be no right to that increment except as specified in the development agreement.

Mayor Brunst said it was not meant to go to a particular store or business but to infrastructure.

Ms. Pfof said the taxing entities included the City of Orem, Utah County, Alpine School District, Central Utah Water Conservancy District, and Orem Metropolitan Water District. Each entity would have to sign a development agreement. The school district was the largest entity. The money would come through the RDA.

Mr. Andersen asked what infrastructure included.

Ms. Pfof said infrastructure could include such things as water, sewer, a parking structure, parks, and even the building exterior.

Mrs. Black clarified that it would be for the whole project.

Chairman Brunst **moved**, by resolution, to authorize the preparation of a draft community development project area plan and budget. Mr. Spencer **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, David Spencer, and Brent Sumner. Those voting nay: Hans Andersen The motion **passed** 4-1.

ADJOURNMENT

Mr. Sumner **moved** to adjourn the meeting. Mr. Spencer **seconded** the motion. Those voting aye: Mr. Andersen, Mrs. Black, Mr. Brunst, Mr. Spencer, and Mr. Sumner. The motion **passed** unanimously.

The meeting adjourned at 7:10 p.m.

Donna R. Weaver, Secretary

Approved: September 23, 2014