153 North 100 East
Lehi, UT 84043
(801) 768-7100

Minutes of the **Regular Session** of the **Redevelopment Agency** held Tuesday, **March 18, 2025** at 11:33 p.m. at the Lehi City Administration Building, 153 North 100 East, Lehi, Utah.

Members Present: Mark Johnson, Chairman
Paige Albrecht, Member
Chris Condie, Member
Heather Newall, Member
Michelle Stallings, Member

Excused: Paul Hancock, Member

Others Present: Jason Walker, Executive Director; Craig Chambers, Attorney, Marlin Eldred, Lehi Economic Development Director; Teisha Wilson, Secretary.

1. Welcome and Roll Call

Mr. Johnson welcomed everyone and noted that all Redevelopment members were present, except for Paul Hancock, who is excused.

2. Morning Vista Project Area Plan for the Community Reinvestment Project Area.

Marlin Eldred, Economic Development Director, introduced the project. Matt Swain, with Perry Homes and Jaun Montoya with CenterCal presented their proposal.

The project is a mixed-use development and includes a high-end, grocery-anchored retail center, retail space, and is surrounded by community gathering areas and natural landscaping. It will also include about 285 residential units, of which at least 11 (potentially more, based on legal requirements) will be designated as affordable housing. Key features are walkability, indoor-outdoor restaurant spaces, and connectivity between retail and residential.

Mr. Swain explained that Perry Commercial will not forfeit any residential units; instead, they are transferring unused units from the Central Canyon area to the current project site. This transfer is allowed by their area plan rights, and staff prefer this approach because it moves housing density away from the hillside and towards the transportation corridor (SR 92), which is better for utility planning, mixed-use development, walkability, and minimizing additional vehicle traffic within the rest of Traverse Mountain.

<u>2.a) Public Hearing</u>

Mayor Johnson opened the public hearing

Rob Ludlow focused on the city's substantial concessions to Perry Homes, including mining rights and flexible density transfers, which he argues have granted Perry large financial benefits without corresponding accountability. He expressed concern about the $8 million tax subsidy, believes the calculation of required affordable housing units is undercounted, and criticized how unused density is being moved to maximize profit in more desirable locations. Rob urges the council to ensure any agreement includes strict traffic studies, clear limits on density, transparent accounting, and resolution of outstanding infrastructure and park maintenance issues. He stressed that the project must provide clear benefits to residents and enforce all obligations—arguing for more transparency and accountability before granting further rights or incentives to the developer.

Mayor Johnson closed the public hearing.

Marlin assured the Council that a traffic study for Morning Vista will be required as the move through the planning process and site plan approvals. He also clarified that they are still required to go through the development process and follow all planning and zoning ordinances, and any issues found in the traffic study would need to be mitigated.

Kim Struthers, Community Development Director, explained that the council's current approval is mainly about the financial aspect of the project—specifically, the incentive framework—and that detailed issues like grading and density will be reviewed during later planning stages. He clarified that, for grading, projects over 10 acres (like this one) must bring a grading plan to the DRC, Planning Commission, and City Council for approval, where additional requirements can be discussed. Regarding density, Kim says that while residential areas have a 20-units-per-acre cap, this commercial area is different. It can receive up to 546 transferred units from Central Canyon as allowed by the area plan, and the per-acre cap does not apply. Only unused units can be transferred, and further transfers from other areas would require a plan amendment.

There was discussion about mass grading and the city's concerns with previous issues.

Councilor Stallings questioned why the city should forego future sales tax revenue to benefit a private developer, noting that the land is prime and that needed city services are underfunded. She expressed that incentives are not necessary, suggesting the grocery store and restaurants will come without them.

Matt Swain explained that the incentive is performance-based—developers only receive a share of new tax revenue if and when it is generated. He argues the project's costs make it financially unviable without city support, and that the high-end grocery and dining components specifically depend on this assistance. He adds that while something might eventually be developed on the site, only a high-quality project like the one proposed would bring substantial and lasting benefits to the city, both in tax revenue and amenities.

Councilor Stallings expressed concerns about fairness to taxpayers.

Marlin Eldred discussed the current redevelopment projects and how they're benefiting the city now and long term.

Councilor Condie affirms that he is always prepared to explain his decisions. He expressed appreciation for Rob Ludlow's depth of knowledge and involvement in Traverse Mountain issues. He strongly supports the redevelopment project, describing it as a tremendous and exciting opportunity for the city—one that will bring high-quality development and new amenities. He expressed hope for a successful partnership with the developer, while also ensuring the city protects its residents.

Councilor Albrecht explained that while she was once wary of "giving away the farm" with city incentives, she now believes that receiving even a smaller share of a high-value development's tax revenue will benefit the city more in the long run than getting 100% from a lower-value project. She expressed support for the redevelopment project, highlighting its potential to provide substantial long-term benefits for Lehi residents, and is hopeful the city can secure even more community gains as the project advances.

Councilor Newall stated that it would be hard to find another project that brings as much tax revenue and high-quality development without an RDA incentive. She supports the proposed project, highlighting resident demand for premium grocery and fine dining options, and cites the $20 million in projected tax revenue as a significant advantage. She also expressed appreciation for public input—especially Rob Ludlow's detailed concerns—and values the discussion that ensures thorough oversight of the development agreement.

Mayor Johnson reflected on his initial skepticism regarding Redevelopment Agency (RDA) incentives but shared that, through experience, he has seen their ability to deliver crucial infrastructure and community benefits. Using the Cabela's deal as an example, he illustrates how targeted tax incentives have been used selectively and have produced tangible value for Lehi. He asserted that the city's fiscal management has kept tax increases infrequent and allowed for high service quality. Mayor Johnson stated that RDAs are a necessary tool to prompt valuable growth and development, and he expressed his support for the current redevelopment project.

<u>2.b) Consideration of Resolution #R2025-04 adopting the Morning Vista Project Area Plan for a Community Reinvestment Project Area.</u>

Motion: Mr. Condie moved to approve Resolution #R2025-04 adopting the Morning Vista Project Area Plan for a Community Reinvestment Project Area. Ms. Newall seconded the motion.

Vote: Ms. Albrecht, Yes; Mr. Condie, Yes; Mr. Hancock, Excused; Ms. Newall, Yes; and Ms. Stallings, No. The motion passed with 3 in favor, 1 opposed, and 1 excused.

3. Morning Vista Community Reinvestment Project Area Budget

3.a) Public Hearing

Mayor Johnson opened the public hearing.

Rob Ludlow questioned the calculations for the required affordable housing ratio and asked that it be reevaluated.

Mayor Johnson closed the public hearing.

3.b) Consideration of Resolution #R2025-05 adopting the official project area budget for the Morning Vista Community Reinvestment Project Area.

Motion: Mr. Condie moved to approve Resolution #R2025-05 adopting the official project area budget for the Morning Vista Community Reinvestment Project Area. Ms. Albrecht seconded the motion.

Vote: Ms. Albrecht, Yes; Mr. Condie, Yes; Mr. Hancock, Excused; Ms. Newall, Yes; and Ms. Stallings, No. The motion passed with 3 in favor, 1 opposed, and 1 excused.

4. Consideration of Resolution #R2025-06 approving an Interlocal Agreement between Lehi City and the Lehi Redevelopment Agency regarding the Morning Vista Community Reinvestment Project Area.

Motion: Mr. Condie moved to approve #R2025-06 approving an Interlocal Agreement between Lehi City and the Lehi Redevelopment Agency regarding the Morning Vista Community Reinvestment Project Area. Ms. Newall seconded the motion.

Vote: Ms. Albrecht, Yes; Mr. Condie, Yes; Mr. Hancock, Excused; Ms. Newall, Yes; and Ms. Stallings, No. The motion passed with 3 in favor, 1 opposed, and 1 Excused.

5. Consideration of Resolution #R2025-07 approving a Development Agreement between the Lehi Redevelopment Agency and Traverse Retail Owner LLC.

Marlin Eldred explained the terms of the agreement and noted that they will look again at the calculation for the affordable housing units. He noted that this agreement cannot usurp state law, so if they find that more than 11 units are required, this agreement must be amended to align with state law.

Rob Ludlow requested that the city use precedent and require the developer to mass grade the entire site within an 18th month period.

Staff clarified that city code currently requires a grading permit on more than 10 acres for up to one year, with a possible one-year extension, subject to Council approval. Council and staff agreed it was important to treat the commercial and residential parts of the project as one unified grading effort, ensuring the grading is completed as efficiently as possible within city code limits.

In their motion, the council required that all grading for the project fall under these rules, limiting the potential for multi-phase, drawn-out site work and emphasizing accountability in the permitting process.

Motion: Mr. Chris moved to approve #R2025-07 approving a Development Agreement between the Lehi Redevelopment Agency and Traverse Retail Owner LLC; include items 1) that the project is seen as a whole, meaning that the project is both the commercial and the retail components, that it will follow all code or city code regarding the planning process, grading and so be it, and 2) ask that staff confirm that that 11 LMI units is what state code mandates, that the final document reflect the correct minimum number per state code, and amend the agreement if needed, and also that the Mayor has the authority to sign the agreement if it needs to be amended to more than 11 units so it does not have to come back to Council. Ms. Newall seconded the motion.

Vote: Ms. Albrecht, Yes; Mr. Condie, Yes; Mr. Hancock, Excused; Ms. Newall, Yes; and Ms. Stallings, No. The motion passed with 3 in favor, 1 opposed. and 1 excused.

6. Adjournment

With no further business to come before the Redevelopment Agency at this time, Mr. Condie moved to adjourn the meeting. Ms. Albrecht seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 1:13 a.m.

Attest:

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Mark Johnson, Chairman Jason Walker, Executive Director