NOTICE OF A REDEVELOPMENT AGENCY BOARD MEETING
May 12, 2026, at 6:00 PM

AGENDA

Mayor Zack Stratton
RDA Board Member Jacob Holdaway
RDA Board Member David Lauret
RDA Board Member Parker McCumber
RDA Board Member Ezra Nair
RDA Board Member Jacob Wood

Staff Present: Administrative Director David Herring; Chief Deputy Holden Rockwell of the Utah County Sheriff's Office (remotely); City Recorder Robin Bond; Deputy City Recorder Tony Lara (remotely); Parks and Recreation Director Brian Vawdrey; Public Works Director/City Engineer Naseem Ghandour and RDA Director Josh Daniels.

Also Attending: Daria Evans, Karen Cornelius, Kim Cornelius, Dennis Frank, Nathan Steele, Emmeline McCumber, Trinity Ewing, Brian Voeks, Jane Pearce, David Pearce, Darlene Price, and others who did not sign in or whose writing was illegible.

Presiding Chair Zack Stratton

1. **CALL TO ORDER**

Mayor Stratton called the meeting to order at 7:24 pm.

2. **BUSINESS ITEMS**

2.1. Adoption of Resolution U2026-03, commencing tax increment collection for parcels in the Geneva Urban Renewal Project Area

RDA Director Josh Daniels presented on collecting the tax increment collection for parcels. He explained that undeveloped land that became developed land was more valuable. He talked about the certified tax rates. He talked about the downtown area. Tax shift was discussed for new development and existing buildings. He showed James Bay parcels and the phased developments. Orchards Area would be Phase 4.

Board Member Holdaway asked about the areas that were not triggered for collection. Mr. Daniels answered that some where public entities like parks or central Utah water which had a parcel.

Board Member Nair clarified that an area outside the RDA which could benefit from the RDA could be included such as the cooling ponds or a road or a right-of-way.

Board Member Lauret clarified that more businesses lowered the tax rate.

Staff reviewed the process for triggering tax increment collection, which occurs annually following County property assessments (typically implemented in May). Triggering allows increased property value resulting from development to be captured as RDA increment rather than included in the City's general tax base.

Under Utah's certified tax rate system, cities do not automatically receive increased property tax revenue; the rates adjust to keep base revenue stable. Additional value that would be created by development is classified as "new growth."

RDA increment: Captures and defers that new growth for a defined period (20–25 years depending on program). The best practice would be to trigger parcels as close as possible to the year they qualify as "new growth".

Timing and smoothing strategy would be a phased approach to triggering properties and help balance annual new growth with increment capture, which reduces large future shifts when major project areas are triggered, and creates a long-term smoothing effect on tax revenues.

Project area development would be development that occurs incrementally through land subdivision, construction of improvements (residential/commercial), property valuation is determined as of January 1 each year. Significant new growth is currently occurring in Downtown/HTRZ (Housing and Transit Reinvestment Zone (such as Utah City)) area and is scheduled for increment triggering in 2028.

Resolutions Under Consideration

1. Phase 3C – James Bay

- Primarily residential development
- Includes open space and public parcels for tracking
- Development exceeds ~50% completion threshold

2. Phase 4B – Orchards

- Includes:
  - Completed structures
  - Active construction
  - Subdivided but unimproved lots
  - Adjacent commercial properties

Financial Overview

- Phase 3C: ~ $40 million taxable value
- Phase 4B: ~ $48 million taxable value
- Total Proposed Trigger: ~ $90 million
- Comparable to:

    - Estimated ~$90 million in new growth expected from HTRZ development

RDA Formation and Boundary Context

- Original RDA project area established through:
    - Survey
    - Blight determination
    - Formal designation filings
    - Adoption of project plan and budget
- Boundaries:
    - Generally fixed as part of the adopted plan
- Recent Council actions:
    - Did not alter boundaries, but allowed use of RDA funds outside the area if deemed beneficial

The Board discussed the use of RDA funds and acknowledged that such funds may be used for infrastructure or improvements located outside the formal project area boundaries, provided those expenditures are determined to benefit the RDA. Members noted that while this flexibility is useful for supporting related development and connectivity, it also creates challenges in clearly defining the limits of eligible expenditures and may introduce ambiguity in determining what qualifies as a direct benefit to the RDA.

The Board also considered the balance between City revenue and RDA increment. It was noted that the City's goals include both maintaining sufficient operational funding and financing infrastructure through RDA increment. Historically, the City delayed triggering certain parcels in order to build its general property tax base and support operations. However, the current approach reflects a shift toward optimizing increment capture, recognizing that infrastructure needs and development timing now favor a more proactive triggering strategy.

In discussing the certified tax rate system, the Board expressed an understanding that new growth can temporarily reduce the tax burden on residents by increasing the overall tax base. However, once that growth is redirected into RDA increment through triggering, the City's taxable base is reduced, which may lead to higher tax rates to maintain revenue levels. Staff confirmed that this interpretation was accurate and consistent with how the system functions in practice.

The Board further discussed long-term fiscal considerations, particularly in relation to the scale of development in the Utah City area and the extended duration of layered increment periods under both the HTRZ and RDA programs. Staff clarified that the HTRZ increment will be applied first, with taxing entities retaining approximately 20 percent of tax revenues during that period, followed by the RDA increment phase. While this structure diverts revenue in the short and medium term, it allows for infrastructure to be funded upfront, with the expectation of a substantial revenue increase for the City and other taxing entities once both increment periods expire.

Finally, the Board addressed the risks associated with forecasting new growth. Members noted that the pace and scale of future development are inherently uncertain, and that financial modeling depends heavily on external development timing that is not fully within the City's control. Staff acknowledged these uncertainties and recommended continued reliance on County data, updated projections, and ongoing analysis to inform decision-making and mitigate forecasting risks.

Triggering strategy discussion ensued.

Options Considered:

1. Trigger all parcels (including unimproved lots)
2. Trigger only parcels with completed structures
3. Delay further analysis before final decision

Staff Recommendation:

- Trigger only parcels with completed structures
- Defer unimproved lots to future year when:
    - Improvements increase value
    - Additional new growth can be balanced

Timing Constraints

- County requires finalized data by late May (~May 26)
- Triggering outside that window provides no practical benefit for current tax year

Board Guidance

- Board expressed interest in:
    - Reviewing financial modeling before final decision
    - Understanding impact of triggering only improved parcels

Board Member Nair explained why some tax rates had not been triggered. It depended on what operational funds the City needed.

Mr. Daniels continued to explain tax shifting effects for commercial parcels. In the Geneva Retailer Tax shift effect occurs when new growth is first added to the City's tax base, and later removed when increment is triggered. The results would be upward pressure on tax rates for remaining taxpayers. Staff emphasized the importance of timely triggering to prevent future fiscal imbalances.

Mr. Daniels asked which the Board would recommend. Would they like to trigger all parcels that had structures, or all parcels in the phase?

Council Member McCumber asked if it could only be triggered in May. Mr. Daniels said the County needed to know which parcels would be triggered by the end of May.

Discussion ensued. Council Member Holdaway would like to see all the parcels that are built on be triggered. Mr. Daniels said each phase would trigger all parcels in that phase at the same time. Board Member Holdaway wanted a tax auditor to be involved in the RDA.

Board Member Nair talked about the benefits of the RDA for the future and for infrastructure being put in quickly.

Board Member McCumber asked for a revenue and expenses chart.

Mayor Stratton reported on several payments for reimbursement. Board Member Lauret stated that if they were held more than 60 days, they should be paid. Board Member Holdaway wanted everything put on hold. Board Member Lauret asked if new invoices could be held.

Motion: Board Member Lauret motioned to continue Resolution 2026-03 about tax increment collection for Geneva Urban Renewal project area for two weeks until they can receive the requested information. Second: Board Member Holdaway. Yes: Board Members, Holdaway, Lauret, McCumber, Nair, and Wood. Motion Passed 5-0.

Additional discussion about Environmental Remediation Payments continued.

Background

- Outstanding remediation invoices totaling approximately:
  - $2.7M–$3.0M
- Some invoices pending beyond standard review timeframe

Council Direction

- Payments:
  - Approved payment of all existing, valid invoices
- Future Work:
  - Do not halt property owner activity, legally the Board cannot restrict the property owner.
  - Instead:
    - Delay acceptance of new invoices temporarily
      - Implement improved verification procedures, documentation standards, and Invoicing requirements

Process Improvements Identified

- Establish:
  - Formal verification of completed work
  - Clear documentation expectations
  - Internal review controls
- Staff to coordinate with:
  - Auditor
  - RDA specialists
  - County representatives

Financial Transparency and Reporting

- Request made for:
  - Regular year-to-date financial reporting (P&L-style summary)
- Staff confirmed:
  - Existing multi-year data available
  - Additional reporting to be provided
- Ongoing actions:
  - Compilation of historical financial records
  - Engagement of RDA specialists for modeling and solvency review

Key Takeaways from this meeting included the following:

- Timely triggering is critical to:
  - Prevent tax shift effects
  - Maintain fiscal balance
- Current strategy:
  - Focus on improved parcels first
  - Phase additional increment over time
- Financial oversight and modeling:
  - Identified as priority before final action
- Infrastructure funding model:
  - Relies heavily on RDA/HTRZ participation and interagency contributions

3. ADJOURNMENT
The meeting was adjourned at 8:18 pm.

MINUTES APPROVED ON: June 9, 2026

CERTIFIED BY: Robin Bond

ROBIN BOND, CITY RECORDER

VINEYARD
SEAL
UTAH