



**THE CITY OF BLUFFDALE REDEVELOPMENT AGENCY
TAXING ENTITY COMMITTEE ANNUAL MEETING AGENDA**

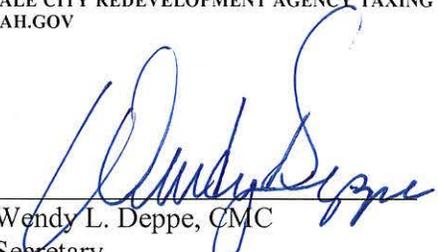
December 7, 2015, 1:30 p.m.

Notice is hereby given that the City of Bluffdale Redevelopment Agency Taxing Entity Committee will hold its annual meeting and Eastern Bluffdale Economic Development Project Area Special Meeting Monday, December 7, 2015 at the Bluffdale City Fire Station, 14350 South 2200 West, Bluffdale, Utah scheduled to begin promptly at 1:30 p.m. or as soon thereafter as possible. Notice is further given that access to this meeting by committee members may be by electronic means via telephonic conference call. The agenda will be as follows:

1. **WELCOME AND ROLL CALL**, Mark Reid, Chair.
2. **TRAINING ON OPEN AND PUBLIC MEETING LAWS**, J. Craig Smith.
3. **PRESENTATION, DISCUSSION AND REVIEW OF THE ANNUAL REPORT**, J. Craig Smith.
Review of current active and potential project areas within the Agency's boundaries, including the following:
 1. Eastern Bluffdale Economic Development Project Area.
 2. Bluffdale Gateway Redevelopment Project Area.
 3. Jordan Narrows Economic Development Project Area.
 4. Potential Porter Rockwell Community Development Project Area.
4. **UPDATE ON PROPOSED REDEVELOPMENT LEGISLATION**, J. Craig Smith
5. **OTHER MATTERS**
6. **ADJOURN**

Dated this 4th day of December, 2015

I HEREBY CERTIFY THAT THE FORGOING NOTICE AND AGENDA WAS POSTED AT THE BLUFFDALE CITY HALL, BLUFFDALE CITY FIRE STATION; EMAILED OR DELIVERED TO EACH MEMBER OF THE BLUFFDALE CITY REDEVELOPMENT AGENCY TAXING ENTITY COMMITTEE; AND POSTED ON THE PUBLIC MEETING NOTICE WEBSITE, WWW.PMN.UTAH.GOV


Wendy L. Deppe, CMC
Secretary

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Present: **Mark Reid, Chair, Bluffdale City Manager**
 Alan Jackson, Bluffdale City Council Member
 J. Craig Smith, Bluffdale Redevelopment Agency Attorney
 John Larsen, Jordan School District
 Matthew Young, Jordan School District Board
 David Delquadro, Salt Lake County Council (via telephone)
 Dave Martin, Special Districts Representative
 Von Hortin (Alternate), State Board of Education

Others: **Grant Crowell, City Planner/Economic Development Director**
 Vaughn Pickell, Bluffdale City Attorney
 Wendy Deppe, Secretary, Bluffdale City Recorder
 Kyle Marchant, Bethany Hills Cove Resident

ROLL CALL

Chair Mark Reid called the meeting to order at 1:33 p.m. Those present introduced themselves.

TRAINING ON OPEN AND PUBLIC MEETING LAWS

Bluffdale City Redevelopment Agency Attorney, J. Craig Smith, conducted an Open and Public Meetings Training. He reported that State law requires every public entity to have an annual Open and Public Meetings Training. Mr. Smith reported that this body is subject to the public just as the City Council or the School Board would be. Proper public notice was provided of today's meeting. Electronic meetings are also accommodated. Minutes of today's meeting were to be taken by City Recorder, Wendy Deppe, who will distribute a draft of the minutes to those present at which time they will have 10 days to submit corrections. The corrected version will then be distributed. After 10 days have passed without corrections being proposed, the minutes will be deemed approved. It was noted that the audio recording of today's meeting must also be made available to the public within three business days. Mr. Smith stated that there are penalties for violating the Open Meetings Law.

PRESENTATION, DISCUSSION, AND REVIEW OF THE ANNUAL REPORT

Mr. Smith reviewed the current active and potential project areas. A map was displayed showing the Agency's boundaries.

1. Eastern Bluffdale Economic Development Project Area.

The Eastern Bluffdale Economic Project Area was identified on the map displayed and has a significant amount of industrial development. The area was created in 1999 with the tax increment triggered in 2008. The last year of tax increment will be 2023. The projected tax increment for 2015 is \$1,735,125. The funds generated have gone toward improvements that have allowed the

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industrial development to occur. Mr. Smith explained that as the area has urbanized over the years, it has brought in high value, high tax generating businesses, and high paying jobs.

In response to a question raised about how the prison relocation will affect the area, Chair Reid stated that by then they will have a better picture of the area. He thought it may be better to create a new area at that time. This area has been productive and the hope was for that to continue and to assemble problematic parcels of land.

Mr. Larsen commented that a one-year extension was granted and he asked if that had been added to the current expiration date or if it would be extended until 2024. Mr. Smith was not sure but stated that based on projections, the County did not distribute all of the money it should have. Historically agencies have been required to prepare two reports each year to indicate what they are entitled to. One is a November report which is a projection that is never accurate. The County was treating the projection as a request even though the law was clear. The one-year extension was requested because it was considered the easiest way to resolve the situation.

2. Bluffdale Gateway Redevelopment Project Area.

Mr. Smith identified the Gateway area on the map displayed. He reported that it was created as a redevelopment project area with a finding of blight associated with it. There are two EDAs, the Eastern Bluffdale and the Jordan Narrows, that are both economic development project areas.

Chair Reid identified the area being considered for a possible CDA on the map displayed. Mr. Smith mentioned that with regard to the Gateway, there used to be a legal requirement that project areas must be contiguous. That was eliminated about 10 years ago but the area was created prior to that time, which was the reason for the strange shape of the area.

Mr. Smith commented on a new intersection where Bangerter and Redwood Road meet. It is significant because one of the reasons the project area was created for was for a retail office situation.

The Gateway Project area was created in 2000 and tax increment was first taken in 2010. The last year of tax increment will be 2025. The funds generated have been used for a portion of the infrastructure. When the project area was created, a Special Improvement District was also created that is now referred to as a Special Assessment Area. These are districts where public improvements can be built and property owners charged a lump sum or over a period of time. If the funds are collected over a period time, bond payments must be made annually with the increment going toward that.

Chair Reid reported that in 2000, Smith's was looking to locate in this area of the RDA next to Bangerter Highway. The developer sued the City to have affordable housing included. The Bluffs Apartments and the Vintage on the Bluffs Townhomes were built as a result. To provide access a road was built through the middle of the property to connect to the apartments. The SID was put in

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place to build the road and the tax increment from the Smith's and anchor tenants that were to come in with them were supposed to pay for the road. The apartments and townhomes were built but Smith's ultimately located in Saratoga Springs. As a result, the property has remained vacant. The new owner, Woodbury Cooperation, purchased the property and every year the difference between the tax increment and the amount of the SID payment has been about \$250,000. As a result, Woodbury has cut a check each year to make the bond payment.

Mr. Smith reported that a significant amount of increment is received. There is some potential new development coming forward in 2016. The State and City have been working with Woodbury who has presented an updated version of the site plan. Chair Reid clarified that it is not yet approved and explained that a Corridor Management Access Plan has been prepared in conjunction with UDOT. Due to the distance to Bangerter, the only place a light can be located is at 13970 South. Chair Reid noted that the Old Market Place is no longer the main route into the facility. UDOT has required them to align with the road across the street and bring in a new road. During construction of the flyover Market View was used to bring traffic around from the intersection. Two lanes were built back to the area. All is within the RDA, including the apartments. Bethany Hills Cove to the south and the area across the street are not. Four homes in each direction were removed to make way for the bridge and widening. As a result, four homes still exist north of 13970 South in the RDA. The area shown in green on the map is currently flat ground. The proposal was to be presented to the City Council later in the week. Chair Reid reported that Smith's Marketplace is under contract and is the only tenant with Woodbury.

3. Jordan Narrows Economic Development Project Area.

Mr. Smith identified the project area on the map displayed and stated that it is next to I-15. It was created in 2001 and began taking tax increment in 2011. The tax increment has primarily been used for infrastructure, public improvements, and land acquisition. 2026 will be the last year for tax increment. In 2015, the tax increment is projected to be \$543,208.

Chair Reid reported that the Jordan Narrows EDA has been very slow to develop. A number of suitors have come in and proposed development in the area. It was set up for an EDA to be commercial similar to what exists to the north in the Eastern Bluffdale EDA. Currently, the biggest employer that has come in and purchased land in the area is the Jordan School District who purchased 47 acres. Most of the area around it, however, has turned into residential. The hope was for it to have become more industrial than it has. Some businesses have located along Pony Express adjacent to I-15 but the area to the south is all gravel pit and gravel operations. The area has been difficult to develop and with the widening of I-15 it is unknown what the final look will be. One of the areas where tax increment is being spent is Porter Rockwell Boulevard.

In a meeting with UDOT, they expressed that along Redwood Road the intersection of Porter Rockwell Boulevard and Redwood Road would be the busiest intersection on Redwood Road. A great deal of interest was seen in the area and is in the area of the CDA.

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4. Potential Porter Rockwell Community Development Project Area.

Mr. Smith stated that the intent of Porter Rockwell Boulevard was to capture business as a result of the Data Center. Chair Reid stated that developing in the area will be challenging since there are seven canals in Bluffdale, most of which originate in the Narrows area. The City is competing with the City of Lehi who has a lot of flat ground to develop. In order to compete, help will be needed from a CDA, EDA, or RDA. Although the terrain makes this a more challenging area, it was considered to be a more appropriate area for development. Mr. Smith pointed out that no EDA has yet been developed. Chair Reid stated that the area is an empty canvas to develop without affecting homes. The first homeowner is former Bluffdale City Mayor, Wayne Mortimer, who has from time to time been under contract with the developer and owners of the land. He was looking forward to seeing the area develop.

Mr. Smith stated that the area is difficult to project. He recommended they be ready if there is an opportunity to move forward. Chair Reid stated that money has been spent to prepare the necessary paperwork and the Council has been brought up to speed. Until an actual project is presented, however, they do not intend to approach any of the entities about creating the project area.

Chair Reid reported that the money spent in each of the development areas has primarily been on increment. They have tried to entice employers to come into the EDA areas. The Gateway Area has generated some tax increment but it has not been enough to cover the infrastructure that is already in place. As a result, the developer has had to augment that to make the payment. Chair Reid explained that each area has a component of 20% that goes toward affordable housing. Since the Gateway has affordable housing in the form of apartments, the City sends 20% to the entity for that. Another affordable housing apartment project has come to the Jordan Narrows Area and much of the increment that will come in has been prepaid as an incentive. The 168 units have been built and are nearly all up and running.

Chair Reid commented that the City has not had much success attracting UTA to Bluffdale and they do not have a single stop, bus, or train in the City. Even though there are two affordable housing projects in Bluffdale the residents have no access to public transportation, which is challenging.

UPDATE ON PROPOSED REDEVELOPMENT LEGISLATION

Dave Martin asked about tax increment financing and had heard that there was upcoming legislation to solve the problem. His understanding was that CDAs and RDAs are established to increase property values which then create increment that can go to the project for the term. The intent is that the agencies will get that back. He had heard that it doesn't automatically come back to the agencies as it is now and the entities would have to hold a Truth in Taxation hearing in order to capture it.

Mr. Smith explained that prior to the last legislative session, Senator Wayne Harper introduced a bill to create a task force to look at redevelopment urban renewal laws generally. Task forces can

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be utilized to look at the situation in a more comprehensive manner than during a legislative session. He noted that task forces are funded by the State and typically have both legislative and non-legislative members. They meet during the interim period and ideally come up with a draft bill that would then go back to the legislature for consideration at the next session. For various reasons Senator Harper's bill did not pass and was not funded. He decided to go ahead anyway and work on legislation during the interim session.

They meet once per month and can hold additional meetings, if desired. Senator Harper and Representative Handy wanted to ensure that money that is new growth actually comes to the taxing entities. Because of personal property tax fluctuations in the Salt Lake City area, it may not be counted as new growth. As part of the task force, representatives from the Utah State Tax Commission were invited to participate and draft legislation that will go into a new bill that will make sure it is clear that new growth remains with the entities. Once the increment stops being paid to the agency, there will be an increase to all of the taxing entities.

Mr. Smith explained that effort has been made to try to streamline the law. The new law as drafted will consolidate everything into one type of project area to be referred to as a Community Reinvestment Project Area. The reports will also be more relevant and will only be done annually rather than bi-annually. The goal was to refrain from changing the balance of power or checks and balances that are in place between the various taxing entities.

David Delquadro asked if the new legislation will deal with the "new growth" at the end of the project term or if it is possible that the increment realized each year will be rolled into the base. If that is the case, there would never be a situation where in any given year there would be less received than the year before. Mr. Smith's understanding was that it was supposed to take care of both the base and the end of the project area. He agreed to look into the matter further and offered to provide copies of the bill to anyone interested in studying the specific section in more detail. His belief was that it will deal with the existing taxes and the taxes at the end with the increase being paid to the taxing entities.

Mr. Delquadro commented that they are involved with the Salt Lake City Sugarhouse Project that should have been completed a few years ago. Because Salt Lake City was concerned that they were going to realize the end of the project when there would be offsetting negative real growth, this was one of the reasons they wanted to change the law before closing out the project. The State Auditor came out with a study that showed that when a new project is created, the baseline tax revenue continues throughout the project term. The reality is that the Salt Lake County Auditor doesn't have the ability to track that effectively. Unlike a project that is developed without tax increment, every time there is new growth it would be rolled into the base the year following when it was realized. With the project for which tax increment financing is being used, it was unknown from one year to the next until the project is completed and depends on whether there was negative growth the previous year. If that were the case, all of the new growth hoped for as a result of the project could be lost. Mr. Delquadro felt it would be very difficult for the legislation to address all of the questions.

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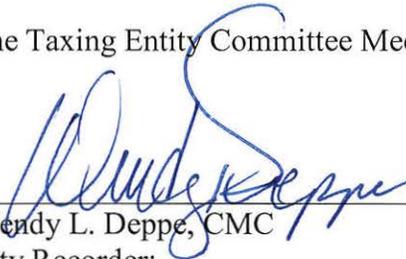
Mr. Smith commented that representatives from the Utah State Tax Commission have been involved in drafting the language. Mr. Delquadro agreed to give feedback after reviewing the proposed legislation. Mr. Smith reported that it will be introduced as a bill at the legislature after which it will go through the normal legislative process during the session. A report was made to the Government Operations Interim Committee but a bill was not presented to them. The bill will begin in the legislature and start in the Senate with Senator Harper being the main sponsor. It will then go through the Senate and the House with Representative Handy being the sponsor in the house.

OTHER MATTERS

Chair Reid reported that the next Taxing Entity Committee Meeting will take place approximately the second week of December 2016. City Recorder, Wendy Deppe, would be emailing out details at that time.

ADJOURN

The Taxing Entity Committee Meeting adjourned at 2:33 p.m.



Wendy L. Deppe, CMC
City Recorder:



Approved: December 30, 2015