

**MINUTES OF THE MEETING OF
THE REDEVELOPMENT AGENCY
OF LAYTON CITY**

APRIL 4, 2019 – 5:34 P.M.

**BOARDMEMBERS AND
OFFICERS PRESENT:**

**CHAIRMAN SCOTT FREITAG, VICE CHAIRMAN
BRUCE DAVIS, EXECUTIVE DIRECTOR ALEX
JENSEN, BOARDMEMBERS JOYCE BROWN,
TOM DAY, SCOTT CARTER, AND JOY PETRO**

STAFF PRESENT:

**GARY CRANE, LON CROWELL, TRACY
PROBERT, TERRY COBURN, DAVID PRICE, AND
SECRETARY, KIM READ**

The meeting was held in the Council Conference Room of the Layton City Center.

Chairman Freitag opened the meeting.

MINUTES:

Vice Chairman Davis moved to approve the minutes of February 7, 2019, as written. Boardmember Brown seconded the motion, which passed unanimously.

AGENDA:

**FIRST ADDENDUM TO THE PARTICIPATION AGREEMENT BETWEEN THE
REDEVELOPMENT AGENCY OF LAYTON CITY AND NORTH UTAH HOLDINGS, LLC –
RDA RESOLUTION 19-01**

Lon Crowell, Community Development Deputy Director, explained North Utah Holdings LLC., F. McKay Winkel, was requesting the addition of WOZ1, LLC as a participant in the Participation Agreement which was approved by Resolution 16-01. The Winkels had created a new corporation registered as WOZ1, LLC, which would allow them to take advantage of an entitlement since the parcels of property were located in an “Opportunity Zone”. He further clarified “Opportunity Zones” were areas of property nominated for the designation by the state and certified by the Secretary of the U.S. Treasury. This particular area was designated by Governor Herbert and the designation in Layton included the RDA properties which had been assembled by North Utah Holdings, LLC. He emphasized as part of the designation, the applicant was required by the Internal Revenue Service to create a new unrelated corporation in order to qualify for a deferral or potential forgiveness of capital gains tax which was amortized over time.

Mr. Crowell added in addition to creating a new corporation, the original Agreement with the City would need to be amended to add the new corporation, WOZ1, as a partner to the Agreement, which this new resolution would accomplish.

Alex Jensen, City Manager, pointed out the original Agreement required any change in ownership or interest would need to be approved by the Board.

MOTION: Boardmember Petro moved to approve the First Addendum to the Participation Agreement, with the addition of WOZ1, between the Redevelopment Agency of Layton City and North Utah Holdings, LLC, RDA Resolution 19-01. Boardmember Carter seconded the motion, which passed unanimously.

RATIFY FIRST AMENDMENT TO UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY VOLUNTARY CLEANUP PROGRAM APPLICATION AND VOLUNTARY CLEANUP PROGRAM AGREEMENT BETWEEN REDEVELOPMENT AGENCY OF LAYTON CITY, NORTH UTAH HOLDINGS, LLC, WOZI, LLC AND UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY – RDA RESOLUTION 19-02

Mr. Crowell stated the resolution addressed the partnership with DEQ specific to environmental cleanup. He explained the City had executed a letter of understanding which identified a financial cap for the Board relative to environmental cleanup and this would add their name to the environmental cleanup application with the DEQ. He pointed out the City desired the letter of understanding be signed prior to signing the application. He indicated the property would need to be closed on or before Monday, April 15, 2019, in conjunction with it being included in the “Opportunity Zone” and Staff was requesting the Board approve the Resolution contingent upon the letter of understanding being signed prior to the application.

Boardmember Day requested clarification regarding the potential need for the extra \$50,000. Mr. Crowell explained the Winkle’s were hesitant to close on the rental property because of the environmental work which had taken place over the previous years. He continued to explain the DEQ had provided a letter releasing the property; however, there were still contaminants on the property. He pointed out there was still \$200,000 of grant funding available through the state; however, the Winkle’s were concerned the cleanup costs could exceed what was allowed by the state. He indicated Staff convinced them to proceed with the property closing and offered \$50,000 in contingency toward the cleanup. He stated Staff didn’t believe it would ever be needed.

Mr. Jensen explained the City wouldn’t actually pay anything. He reported most of the work associated with the cleanup had been completed. He pointed out contaminated soil could be identified once development started in connecting to infrastructure and the Winkle’s had expressed concern the state fund might not cover those expenses. He reported the City had initiated contact with the state regarding the concerns and had received a response which identified commitments and guarantees. He added the City was willing to partner and match on a fifty-fifty basis up to a maximum of \$50,000.

Boardmember Petro requested clarification with the map provided and Mr. Jensen stated that particular map identified uses, and not the RDA area.

MOTION: Boardmember Davis moved to ratify the First Amendment to Utah Department of Environmental Quality Voluntary Cleanup Program Application and Voluntary Cleanup Program Agreement between Redevelopment Agency of Layton City, North Utah Holdings, LLC, WOZI, LLC and Utah Department of Environmental Quality, – RDA Resolution 19-02. Boardmember Brown seconded the motion.

MOTION: Boardmember Davis amended the motion that approval of RDA Resolution 19-02 be contingent upon the applicant signing the letter of understanding. Boardmember Brown seconded the motion, which passed unanimously.

REQUEST TO EXECUTE A PORTION OF THE PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND NORTH UTAH HOLDINGS, LLC – BY PAYMENT OF \$400,000 TOWARD THE PURCHASE OF THE TOM RANDALL PROPERTY

Mr. Crowell explained as per the original participation agreement, the applicant was requesting payment of \$400,000 toward the purchase and closing of the property which was scheduled sometime next week. He indicated the delay was related to the environmental cleanup. He added the agreement specifically identified the two parcels.

Boardmember Day asked if this was the last piece of property needing to be purchased. Mr. Jensen responded there were some slivers of property owned by UDOT which were undevelopable on their own. He indicated the Winkle's were working with UDOT in obtaining those parcels.

MOTION: Boardmember Day moved to Execute a Portion of the Participation Agreement between the Redevelopment Agency of Layton City and North Utah Holdings, LLC – By Payment of \$400,000 Toward the Purchase of the Tom Randall Property. Boardmember Petro seconded the motion, which passed unanimously.

The meeting adjourned at 5:48 p.m.

Kimberly S Read, Secretary