

**TREMONTON CITY CORPORATION
DEVELOPMENT REVIEW COMMITTEE
JULY 23, 2019**

Members Present:

Steve Bench, Chairman/Zoning Administrator
Chris Breinholt, City Engineer
Marc Christensen, Community Services Director—excused
Paul Fulgham, Public Works Director
Shawn Warnke, City Manager
Cynthia Nelson, Deputy Recorder

Chairman Bench called the Development Review Committee Meeting to order at 10:03 a.m. The meeting was held July 23, 2019 in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Chairman Steve Bench, Engineer Chris Breinholt, Director Paul Fulgham (left at 10:54 a.m.), City Manager Shawn Warnke, and Deputy Recorder Cynthia Nelson were in attendance. Director Christensen was excused.

1. Approval of agenda:

Motion by Director Fulgham to approve the July 23, 2019 agenda. Motion seconded by Administrator Bench. Vote: Chairman Bench – aye, Engineer Breinholt – aye, Director Fulgham – aye, Manager Warnke – aye. Motion approved.

2. Approval of minutes—no minutes to approve at this time.

3. New Business:

a. Concept Discussion of multi-family housing development in Tremont Center – Braken Atkinson with Wasatch Development

Mr. Atkinson said we want to discuss with you potential issues and barriers we see with infrastructure and financial capabilities of the project to bring it to fruition. This is basically an isolated site so we anticipate easements coming to the south of the property through another developer's commercial site. There is a drive isle for the existing commercial, but we have not seen anything that shows there are easements or access for our project to utilize that. This creates an immediate discrepancy on access points. The center isle tends to be an ideal situation for our site. One in and one out works better than having a secondary access point. Here there would be an offset intersection and we wondered your thoughts and concerns. Engineer Breinholt said they do not want to create a 50-foot offset, but it could be an emergency access. Mr. Atkinson said this would be our main access, but once we do that, it is apparent we have one true access to our property. Last time we discussed being allowed an easement through the parking lot out to Main Street. Manipulating through the parking lot of the commercial area in a disaster situation would be difficult. Engineer Breinholt said the initial plan was that it would be more of a main road coming from Main Street. Mr. Atkinson said last time we were in here it looked like it was going to dump into the proposed grocery store. It just

did not flow. The most natural idea would be to relocate your retention pond to create a true intersection with better flow going straight down on the property line. Director Fulgham said they would have to obtain property from Town and Country that they use for parking and storage. Mr. Atkinson said that with the proposed 200 units we are creating a situation where we need a through access. The most natural one is to tie these two for an access into the schools. The grocery store would have access into their parking lot just not through. Director Fulgham said if it does not go all the way through I would prefer a private road. The City would work with you on that if you can acquire the land and it would give you another out. Mr. Atkinson said does it accomplish the goal of the City to get something that goes all the way through. Manager Warnke said we are creating the new road, which creates the intersection on Main Street. Are you suggesting this road would connect and wind its way to that intersection? Mr. Atkinson said no I anticipated coming straight down the property line, which would be about 300 feet between intersections. Engineer Breinholt said it would have to be a shared access with the RV Park expanded into a street, which would improve their access too. Mr. Atkinson said could we get an eight-foot offset. Many cities do that. Administrator Bench said if that comes out to a major public street we would have to look at it.

Director Fulgham said how is that road going to be built. Mr. Atkinson said that leads into the next conversation. You have mentioned the City did an RDA for the developers of Tremont Center. What is that RDA and what does it encompass for this property? Manager Warnke gave a quick history of the RDA. A few years back a sustainable design assistance team (SDAT) looked at Main Street and gave ideas on how to improve it. They identified two catalyst sites and this 38-acre parcel was one of them. The idea was to create a project area to generate tax increment for improvements to Main Street. The City approached the tax entities and sold them on this idea. The RDA gets 75% of the generated increment and the tax entities get 25% through the life of the RDA, which is 15 years or \$4.3 million. Developer Capener is first in line up to \$1.9 million. The City has advanced funds to the RDA to make improvements with the hope of being reimbursed through increment (about \$800,000 already). Mr. Atkinson said for this RDA did Mr. Capener include that \$1.9 million reimbursement to the whole 38-acres or just sections, could we use this to help with our project? Manager Warnke said you would have to talk to him. This includes improvements to the Tremont Center and then to Main Street. The objective is to provide resources for Mr. Capener to do infrastructure improvements that help raise all of Main Street.

Engineer Breinholt drew up a quick sketch on the alignment of the road. Administrator Bench said that leaves space for the grocery store to the west. Mr. Atkinson said we would feel better having at least two direct accesses. Engineer Breinholt said the goal is to have a traffic light here some day. Any access we can get directly to 600 West on Main Street would be useful. Manager Warnke suggest having a meeting with the other developers and the proposed grocery store to get that figured out. Businesses want pass by traffic. I am not sure why they would fight that. I think it is a win-win.

Mr. Atkinson brought up the cost of the road and said the only way we would be able to do this is if there was a way to have our own increment. Manager Warnke said there are

primary and secondary improvements that have been identified. Mr. Capener is making the investment and needed to create value for the increment. He gets the first \$1.9 million and the City would get \$350,000. After that, it goes back to a 50/50 scenario for secondary improvements. We did not divide it out into sections of the property because Mr. Capener always envisioned being the master developer. Mr. Atkinson gave scenarios on how much increment they could bring to the City with this project each year. We bear the burden up front and take the gamble. We have to perform to get a return and accelerate that through. The RDA has to be a catalyst so it can benefit those entities. The biggest issue in Tremonton is that it has never had the epicenter of housing and rooftops that drives commercial. If we put 200 families within walking distance of a grocery store, the restaurants and other things, then we have a catalyst.

Director Fulgham asked about easements and storm drain water coming through there. We looked at this as a general overall plan, which was that all the storm water was coming through his property to different basins. Since we started this, we put an outfall line to handle that. The means of getting it there were through that property as a whole. He had a road planned to go through there, but all that has changed so now we have to get the storm water out of there too. Mr. Atkinson said where we tie into storm drain will not be an issue on our side. We will accommodate, but the simplest way would be in the middle where you have it set. Engineer Breinholt said there was never a subdivision plat brought to us so this was not addressed. It was never thought of as a separate parcel it was all one.

Manager Warnke asked where they are at in the process. Mr. Atkinson said we're at the 11th hour on purchasing and due diligence. We need to figure out how we are going to master plan our site because as soon as we purchase, we are neighbors, and this is our property. I would encourage you guys to evaluate if that RDA was tied to one of the other parcels in the front so we can request for our portion with improvement products. We need to figure out how to accelerate that to make sure the City gets its bottom line. That may be a separate agreement with us directly (75/25). Of that 75% we would request 100% of our increment, after you take fees with a cap of \$1.5 million. Manager Warnke said then it kind of undermines the whole vision. Mr. Capener is first in line up to that amount and then it goes to the City. Your piece is critical because it adds significant value and time is ticking. Mr. Atkinson gave more scenarios on what this development could generate in tax increment and the timeframe. Can you isolate Mr. Capener's numbers to that parcel that originated this whole process, which is now the front parcel? The second parcel is ours and you could assign us as the benefactor of the other \$2 million knowing the end result. Director Fulgham said if they build and have to do a road and bury a portion of the canal then Mr. Capener would still reap their benefit. They would put it in banking on the return from the increment, but it would not throw them in until the very end even though they made the improvements to the front piece of the property. If they add the road and close the canal, it will benefit the Tremont Center property. Engineer Breinholt said this was all done with the idea that this whole thing was done together.

Mr. Atkinson said we are taking more of a gamble by developing in Tremonton so we were hoping to get incentive for infrastructure to help stabilize and provide amenity packages. Can you tie his alignment to the parcels that he developed before the subdivision happened? Mr. Capener is capped at \$1.9 million. We would request the money after that with a \$1.5 million reimbursement cap and no money upfront from the City. It became a new parcel that did not exist at the time of the RDA. If his is tied to these parcels, I do not see how we could not request our portion. Manager Warnke said this is tied into the actual cost of the improvements, which we reimburse him for assuming there is increment. Mr. Atkinson said how this RDA is setup it is like me going to work so he gets my paycheck. It goes to Mr. Capener regardless of who does the project. Manager Warnke said this did not contemplate that he would sell property. It anticipated the cost for infrastructure improvements to the 38-acres and on Main Street. Mr. Atkinson suggested talking to their attorney to determine the details of how the RDA was setup. See if you can cap them at their portion tied to this and what would happen if you identify us as the next parcel of RDA. That way you would be closer to paying off your infrastructure costs then how it is currently setup. Manager Warnke said he is familiar with the agreement and setup. If we put you second or third in line then the RDA does not realize the value of being able to have increment or to make the streetscape improvements. You could work with Mr. Capener since there is \$4.3 million to go around. We already made our case to the taxing entities for the extraordinary infrastructure improvements. There is flexibility, but it is capped at \$4.3 million. Mr. Capener is first for reimbursement and hopefully there is money to reimburse the City for improvements it is making. The overall objective is to improve Main Street.

Mr. Atkinson said I am struggling to understand how these parcels and improvements are not what Mr. Capener is tied to. He was tied to everything and once he subdivided, it should have changed. Manager Warnke said the City is forgoing some of our other capital projects and betting on the fact that this project area is improving the overall economics of the City. Mr. Atkinson said could we not apply for that balance within the RDA that is already setup? We are willing to take a risk like we did in Logan 10 years ago. If we can get RDA reimbursement for infrastructure, then we do not have to back off on some of our amenities for citizens and a project that is needed for Tremonton. Right now we are looking at phasing, but if we have an agreement to help offset costs then we could do the full project all at once. We want to make this work. It is something that could change Tremonton because there is nothing like it available. We would take the risk, put money out there to setup an RDA, and go into this together. Manager Warnke said I agree with everything you are saying, but the way it is setup it cuts the City out of money to improve the streetscape. What are you proposing to do? Developers come in with a plan, but that changes. Mr. Atkinson said we are locked into 144 units for phase 1. If we can work something out with tax increment, we could do the whole thing (260 to 290 units). These 24-plexes are all three stories with a pool, hot tub, pickle ball court, dog park, grass area, clubhouse and gym. We build a project where people do not have to leave besides getting food and going to work. For utilities they would have TV and Internet. This product will force developers to step up their game.

Mr. Atkinson requested to see if there is a way to assign a portion of the RDA money to them. We are now taking the risk. How can we work together to make sure we minimize both of our risks and guarantee your end results? We would like to circle back and carry on this conversation in more depth. Manager Warnke said this is the RDA's decision and if the City would want to forgo that. Mr. Atkinson said he would review the RDA agreement so they have a better understanding. Engineer Breinholt suggested talking with Mr. Capener and the grocery store about the more direct access. A more direct road would benefit the grocery store and you would have a second access.

b. Walk ins:*

There were no walk ins.

4. Comments/Reports: none.

5. Public comments: Comments limited to five minutes.

No public comments.

6. Adjournment:

Motion by Engineer Breinholt to adjourn the meeting. Motion seconded by consensus of the Committee. The meeting adjourned at 11:26 a.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes of the Development Review Committee Meeting held on the above referenced date. Minutes prepared by Jessica Tanner.

Dated this ____ day of _____, 2019

Linsey Nessen, City Recorder

*Utah Code 52-4-202, (6) allows for a topic to be raised by the public and discussed by the public body even though it was not included in the agenda or advance public notice given; however, no final action will be taken.