



SYRACUSE CITY

Syracuse City Redevelopment Agency Agenda November 12, 2019 – immediately following the City Council Business Meeting, which begins at 6:00 p.m.

City Council Chambers
Municipal Building, 1979 W. 1900 S.

1. Meeting called to order
Adopt agenda
2. Approval of Minutes:
 - a. Special RDA meeting of September 10, 2019.
3. Consideration of agreement between Syracuse City Redevelopment Agency and Shadow Point, LLC, for tax increment rebate related to development of a large gym facility. *Board discussion, if necessary, will commence with Boardmember Savage.*
4. Adjourn.

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In compliance with the Americans Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact the City Offices at 801-825-1477 at least 48 hours in advance of the meeting.

#### **CERTIFICATE OF POSTING**

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Syracuse City limits on this 7<sup>th</sup> day of November, 2019 at Syracuse City Hall on the City Hall Notice Board and at <http://www.syracuseut.com/>. A copy was also provided to the Standard-Examiner on November 7, 2019.

CASSIE Z. BROWN, MMC  
SYRACUSE CITY RECORDER

***Out of courtesy for those in attendance at the meeting, please silence or power-off your cell phone.  
Public WiFi connectivity – Network: Public-wireless. Password: iamaguest***



# RDA SPECIAL MEETING AGENDA

November 12, 2019

Agenda Item #2

Approval of Minutes.

***Factual Summation***

- Please see the draft minutes of the following meeting(s):
  - a. Special Meeting of September 10, 2019.
- Any question regarding this agenda item may be directed at Cassie Brown, City Recorder.

Minutes of the Syracuse City Redevelopment Agency Special Meeting, September 10, 2019.

Minutes of the Special Meeting of the Syracuse City Redevelopment Agency held on September 10, 2019, at 9:05 p.m., in the conference room, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present:           Members:       Lisa W. Bingham  
Corinne N. Bolduc  
Dave Maughan  
Doug Peterson  
Jordan Savage

Mayor Mike Gailey  
City Manager Brody Bovero  
City Recorder Cassie Z. Brown

City Employees Present:  
City Attorney Paul Roberts  
Administrative Services Director Steve Marshall  
Community and Economic Development Director Noah Steele

1. Meeting Called to Order/Adopt Agenda

Mayor Gailey called the meeting to order at 9:05 p.m. as a special meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Boardmember.

2. Authorize Administration to execute Real Estate Purchase Contract (REPC) for purchase of town center property.

A staff memo from the Community and Economic Development (CED) Director explained -The owner of .8 acres located at 2068 West 1700 South approached the City to see if the RDA Board is interested in buying his land. The asking price is \$225,000 plus 2019 taxes that will come due at the end of the year and are estimated to be \$6,000 dollars. The asking price is below assessed value, which is approximately \$400,000. On August 13, 2019, the RDA board approved a budget opening authorizing the expenditure of RDA funds for the property acquisition. The property could be used as an incentive to attract a project, of the use and quality of the City's choosing, to be congruent with the vision for the town center. The land is subject to a prior development agreement with Walmart that prohibits development on the land of a membership warehouse club, pharmacy, discount department store selling clothing, cards, gifts, electronics, garden supplies, furniture, lawnmowers, toys, health and beauty aids, hardware items, bath accessories, and auto accessories. It also prohibits fast food hamburgers or chicken, grocery stores, gas stations, theatres, bowling alleys, billiard parlors, night clubs or any business deriving in excess of 35% of its gross sales from the sale of alcoholic beverages. The exception is that these listed above could be allowed only with written consent of Walmart. The current zoning and General Plan land use designation is General Commercial is General Commercial. The Planning Commission Bylaws state that any purchase or sale of City property must

Redevelopment Agency Special Meeting  
September 10, 2019

be considered by that body; accordingly, the Planning Commission has forwarded a recommendation to the City Council recommending the purchase on a five to one vote.

CED Director Steele reviewed his staff memo.

BOARDMEMBER MAUGHAN MADE A MOTION TO AUTHORIZE ADMINISTRATION TO EXECUTE REPC FOR TOWN CENTER PROPERTY. BOARDMEMBER SAVAGE SECONDED THE MOTION, ALL VOTED IN FAVOR.

At 9:06 p.m. MAYOR GAILEY DECLARED THE MEETING ADJOURNED.

\_\_\_\_\_  
Mike Gailey  
Mayor

\_\_\_\_\_  
Cassie Z. Brown, MMC  
City Recorder

Date approved: \_\_\_\_\_



# RDA Agenda

November 12, 2019

## LEGISLATIVE

### ITEM Agenda Item #3

### Incentive for EOS Fitness/Shadow Point

#### ***Factual Summation***

Please review the following information. Any questions regarding this agenda item may be directed to Noah Steele, Community and Economic Development Director.

#### ***Summary***

The property owner of the Shadow Point Shopping Center has approached the city indicating that EOS (formerly Golds Gym) is not going to stay in their location long term because their standard facility footprint is much larger than the 18,000 square feet they are currently leasing. EOS gyms usually average roughly 40,000 sq and usually include more amenities such as a pool, indoor basketball court, etc. As such, EOS began a property search for a new store location that could accommodate the larger footprint. They were looking in West Point, and other surrounding communities. If they were to build a new gym outside our community, the Shadow Point shopping center would be left with yet another empty space. In order to entice EOS to not relocate to another city, and to build a new gym next door on the large building pad that is available, the Shadow Point property owner Jim Talbot and property manager Matt Swain are requesting a property tax incentive from the city to build the building, which once 'built to suit', would then be leased to EOS.

A new gym would benefit the city in many ways. It would generate an increase in property taxes, it would increase jobs, and also generate more traffic to the center, giving surrounding businesses a boost in sales.

#### **Here are the main points of the proposed draft incentive structure:**

- Once the building is built, assessed, and property taxes are paid - a rebate of 75% of what the RDA receives for just the new building, would be returned to the owner.
- The RDA receives only 60% of the assessed value within the area once triggered, so this is 75% of the 60%.
- This is estimated to be roughly \$26,000 per year if the building were to assess at \$5.1 mil.
- The actual amount received depends on the assessed value of the building and the current tax rate.
- The tax rebate incentive would only be available while EOS occupies the building. If EOS were to move out or close, then the incentive would be discontinued.
- The incentive would expire once the project area expires in the year 2040.

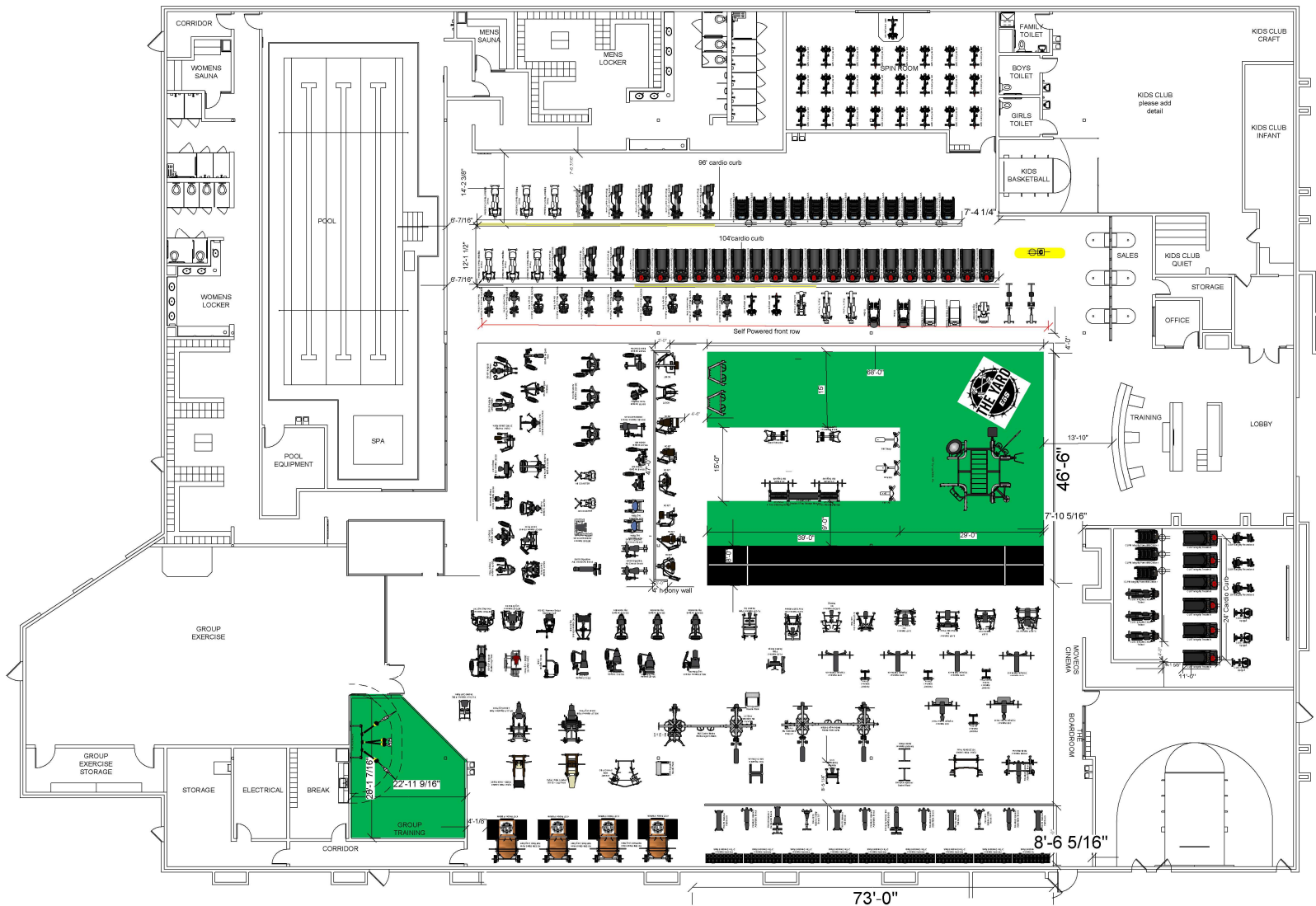
#### ***Goals of Discussion***

Vote to approve, deny, or table this item.



|                      | Existing Gym | New Gym             |
|----------------------|--------------|---------------------|
| Jobs                 | 25-30        | 50-60               |
| Traffic              | 600          | 1,000-1,200 per day |
| Square Feet          | 18,000       | 40,000              |
| Taxable Value Growth | 0            | 5.1 million         |
|                      |              |                     |
|                      |              |                     |

# EOS GOODYEAR, AZ D5



## AGREEMENT FOR TAX INCREMENT REBATE RELATED TO DEVELOPMENT OF A LARGE GYM FACILITY

This Agreement for the use of tax increment financing for the development of a large gym facility (the “Agreement”) is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2019 (the “Effective Date”), by Shadow Point, LLC, a Utah limited liability company (the “Developer”), and the Redevelopment Agency of Syracuse City, a body corporate and politic of the State of Utah (the “Agency”). The Developer and Agency are sometimes referred to individually in this Agreement as a “Party” or collectively as the “Parties.”

### RECITALS

- A. The Developer owns property located at 1207 West 1700 South, in Syracuse, Utah, identified on Davis County records as parcel ID 12-768-0002 (the “Subject Property”). The Subject Property is currently undeveloped, and has zoning designated as General Commercial under the Syracuse City Municipal Code.
- B. The Subject Property is included in the Syracuse Antelope Drive CDA (the “CDA”), which was created in 2016. The CDA automatically triggers tax increment on January 1, 2021, and tax increment collection will terminate twenty (20) years later.
- C. Under the terms of the CDA, multiple taxing entities will be contributing 60% of the tax increment generated by properties within the CDA. These amounts will be provided by Davis County to the Agency for its use in stimulating community and economic growth.
- D. The Developer seeks to construct a facility for lease by a large gym operator. That operator is not a party to this Agreement. A smaller gym currently occupies an existing facility located on Parcel 12-768-0001 (the “Old Facility”).
- E. If the Developer is successful in acquiring the lease with a large gym operator, it intends to construct the facility, further described in this Agreement, on the Subject Property (the “New Facility”).
- F. The Agency recognizes the potential for the large gym operator to draw additional businesses to the location with the operation of a larger facility, increase the number of employees at the facility, and increase the property taxes generated at the site. As such, the Agency is willing to rebate a portion of the Tax Increment produced by the New Facility to the Developer, pursuant to the terms and conditions in this Agreement.

NOW THEREFORE, in consideration of the covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### ARTICLE I

#### SUBJECT PROPERTY

- 1.1. Ownership of Subject Property. The Parties acknowledge and agree that the Developer is the sole owner of the Subject Property, identified on Davis County records as Parcel

ID 12-768-0002. If at any time the Developer sells or otherwise disposes of a portion of the Subject Property, such defined term for the purposes herein shall thereafter refer to and include solely the remaining real property owned by the Developer.

- 1.2. The New Facility. The Developer intends to construct the New Facility for the large gym operator on the Southern portion of the Subject Property. In order to qualify for the benefits of this Agreement, the New Facility must meet the criteria identified in Article III of this Agreement.

## ARTICLE II

### SYRACUSE ANTELOPE DRIVE COMMUNITY DEVELOPMENT AREA

- 2.1. Community Development Area. The Agency has established the Syracuse Antelope Drive Community Development Area, which includes the Subject Property. The CDA is a tax increment financing tool to spur economic and community development in Syracuse City. The participating entities have agreed to contribute a portion of their tax increment to the Syracuse Redevelopment Agency, to provide incentives to attract development.
- 2.2. Rebate Available. The Agency will provide a rebate to the Developer from tax increment generated by the New Facility, after its construction by the Developer on the Subject Property. No rebates are available under this Agreement for any other improvements or construction by the Developer on the Subject Property or any other property. No rebates are available under this Agreement for improvements made to Parcel 12-768-0001, even if they increase the taxable value of the property.
- 2.3. Limitations. Tax increment rebates for the Subject Property shall be limited to those generated from property taxes paid by the Developer for the New Facility.

## ARTICLE III

### NEW FACILITY

- 3.1. Rebates Contingent Upon Strict Compliance. The rebate of tax increment generated by the New Facility are contingent upon strict compliance to the requirements of this Article III. Failure by the Developer to construct any of these improvements, their removal or discontinuance, shall result in a forfeiture of any expectation of further rebates.
- 3.2. Square footage. The New Facility shall be at least forty-thousand (40,000) square feet in size, inclusive of necessary maintenance facilities. If multiple floors are constructed, that additional floor space shall count toward the total required by this Section.
- 3.3. Lap Pool. The New Facility shall include a lap pool with at least three eight-foot (8') wide lanes, twenty-five (25) yards in length.
- 3.4. Indoor Basketball Facility. The New Facility shall include at least one half-court basketball facility, with equipment and markings consistent with adult, competitive play.
- 3.5. Saunas. At least two saunas shall be constructed in the New Facility.

- 3.6. Spa. At least one “hot tub” or spa shall be constructed alongside the pool.
- 3.7. Child Care Facilities. The New Facility shall include space for customer and employee child care.
- 3.8. ADA Compliance. The New Facility shall be entirely compliant with the requirements of the Americans with Disabilities Act.

## ARTICLE IV

### TAX REBATES

- 4.1. Annual Rebate. The Agency shall remit rebates to the Developer as provided in this Article IV, on an annual basis for the duration of the Agreement.
- 4.2. Amount of Rebate. The rebate available under this Agreement shall be the dollar amount of tax increment distributed to the Agency from taxes collected that are solely attributed to the New Facility, multiplied by 0.75. By way of example, if the Agency received \$40,000.00 in tax increment based upon the construction of the New Facility, it would rebate \$30,000.00 to the developer.
- 4.3. Payment. Upon the receipt of tax increment generated by the New Facility, the Agency shall, within sixty (60) days, convey the rebate to the Developer.
- 4.4. No Pre-Payment. The Agency will not pre-pay increment to the Developer under any circumstances. Payment shall be made after the Agency’s receipt of tax increment from taxes paid by the Developer for the New Facility.
- 4.5. Valuation. The taxation of, and therefore the tax increment generated by, the New Facility shall be subject to the valuation of the property by the Davis County Assessor. Rebate shall be based upon the taxes paid and increment received, not upon an anticipated valuation.
- 4.6. No Guarantee of Specific Amount. The rebate is based upon valuation of the property and the actual payment of taxes by the Developer. The Agency does not guarantee any specific amount by this Agreement. It is entirely based upon the percentage of tax increment received.
- 4.7. Closure. If the New Facility closes for greater than three (3) months during a calendar year, then the rebate shall be reduced on a pro-rated basis for the number of days in the year that the facility remained open. If a new large gym operator resumes operation of the business, then the Agency will begin rebating increment.

## ARTICLE V

### DESIGN AND CONSTRUCTION

- 5.1. Laws and Codes Applicable. This Agreement does not override or waive in any manner the applicable laws, regulations or codes applicable to the New Facility. All zoning, development and land use codes, along with building and fire codes, are fully applicable. The Developer is required to submit land use applications for site plan review and comply with all codes.
- 5.2. No Obligation to Develop. This Agreement does not require the Developer to construct the New Facility. If the Developer builds another building or does not develop the

land, it is not a breach of this Agreement, but the Developer will not be entitled to the benefits of this Agreement.

## ARTICLE VI

### TERM, TERMINATION & AMENDMENT

- 6.1. Term. This Agreement shall remain in effect for the shortest duration of one of the following:
- 6.1.1. After distribution of the rebate on the last year on which the Agency receives increment from the New Facility;
  - 6.1.2. Two (2) years after the date of this Agreement's execution, if the Developer has not applied for a Site Plan approval and building permit for the New Facility; or
  - 6.1.3. Until the termination of this Agreement, as provided in section 6.2 of this Agreement.
- 6.2. Termination.
- 6.2.1. The parties may terminate this Agreement by mutual, written instrument.
  - 6.2.2. Either Party may terminate the Agreement if the other Party has materially breached their obligations under this Agreement, as provided in Section 6.4.
  - 6.2.3. The Agency may terminate this Agreement upon thirty (30) days' written notice, if the Developer has not yet acquired a legally binding contract with a tenant for the New Facility.
  - 6.2.4. The Developer may terminate this Agreement at any time, with or without cause, by sending written notice to the Agency.
- 6.3. Amendment. The provisions of this Agreement may only be amended by written instrument, which amendment must be approved by the Agency's governing board.
- 6.4. Default. If a Party breaches a material obligation under this Agreement, then the non-breaching Party shall provide written notice of breach to the breaching Party, and provide at least fourteen (14) days for the breaching Party to cure the breach, or a reasonable amount of time under the circumstances. Upon expiration of the time to cure, the non-breaching Party may choose to terminate the Agreement or seek specific remedies in a court of general jurisdiction.

## ARTICLE VII

### OTHER PROVISIONS

- 7.1. Transfer or Assignment. For purposes of this Agreement, the noun "Transfer" shall mean any sale, lease, conveyance, encumbrance or other transfer. The verb "to Transfer" shall mean to effect a Transfer. Except as provided in this Agreement, the Developer shall not Transfer or Assign this Agreement or any rights or interests herein without the prior written consent of the Agency, which consent shall not be unreasonably withheld. Any such request for Transfer or assignment may be made by letter addressed to the Agency. The Agency's approval shall be based upon their review of the ability of the requested transferee's financial stability and ability to perform on the Agreement.

- 7.2. Laws of General Applicability. Where local laws are concerned, this Agreement shall be deemed to refer to the laws of Syracuse City, Utah. State laws shall refer to Utah law.
- 7.3. Integration. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof; integrates all prior conversations, discussions, or understandings of whatever kind or nature; and may only be modified as provided in Section 6.3 of this Agreement. In the event any conflict between the terms of this Agreement and those of any document, discussion or meeting prior to this Agreement, then the Agreement shall govern.
- 7.4. Applicable Law. This Agreement shall be subject to and interpreted consistent with the laws of the State of Utah.
- 7.5. Venue. Any legal actions between the Parties, arising under this Agreement, shall be conducted exclusively in the Second Judicial District Court for the State of Utah, located in the City of Farmington, Utah. If the case has mandatory federal jurisdiction, then it shall be conducted exclusively in the Federal District Court for the District of Utah.
- 7.6. Notice. Any notice required to be sent to the other Party shall be accomplished by mailing that notice to the following addresses:

For Syracuse City Redevelopment Agency:

City Manager  
Syracuse RDA  
1979 West 1900 South  
Syracuse, UT 84075

For Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If a party's mailing address is changed, they shall notify the other Party.

- 7.7. Effect of Delay. Any delay on the part of either Party in asserting any of its rights and remedies shall not deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- 7.8. Attorney Fees. In the event any legal action or defense between the Parties hereto arising out of or related to this Agreement, or any of the documents provided for herein, the prevailing Party shall be entitled, in addition to the remedies and damages awarded in such proceeding, if any, to recover their costs and a reasonable attorney fee.
- 7.9. Force Majeure. Any failure by either Party to perform any obligation under this Agreement due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefore; acts of nature; governmental

restrictions, regulations, or controls; judicial orders; enemy or hostile government actions; war; civil unrest or commotions; fires or other casualties; or any hindrance beyond the reasonable control of such Party shall be excused for the duration of the hindrance.

- 7.10. Waiver. Any Party's failure to enforce any provision of this Agreement shall not constitute a waiver of the right to enforce such provision. The provisions of this Agreement may be waived only in a writing signed by the Party the waived provision is intended to benefit. The waiver by either Party of a breach or default hereunder by the other Party shall not constitute a waiver of any other breach of the same provision or other provisions hereof.
- 7.11. Severability. If a court of competent jurisdiction holds any provision of this Agreement unenforceable, any enforceable portion thereof and all remaining provisions shall continue in full force and effect.
- 7.12. Contra Proferentem. This is an arms'-length Agreement: the Parties have read this Agreement and have executed it voluntarily after having been apprised of all relevant information and the risks involved and having had the opportunity to obtain legal counsel of their choice. Consequently, no provision of this Agreement shall be strictly construed against either Party.
- 7.13. Time of the Essence. Time is expressly made of the essence with respect to the performance of each and every obligation under this Agreement.
- 7.14. Government Records Access and Management Act. This Agreement and all documents referenced in the Agreement or made a part hereof, including documents provided by the Developer to the Agency or relied upon by the Agency in entering into or performing this Agreement, shall be subject to the provisions of the Utah Government Records Access and Management Act (GRAMA) and shall be presumptively designated as "public" records under GRAMA.
- 7.15. Indemnity. The Developer agrees to indemnify, hold harmless and defend the Agency and Syracuse City, their officers, agents and employees from and against any and all losses, damages, injuries, liabilities, and claims, including claims for personal injury, death, or damage to personal property or profits, however allegedly caused, resulting directly or indirectly from, or arising out of, the construction, development operation or use of the Subject Property and the New Facility, breach of this Agreement on the part of the Developer, or the negligent acts or omissions by the Developer or their agents, representatives, officers, employees or subcontractors in the performance of this Agreement; provided, there is excluded from this Paragraph, and the Developer shall not be obligated to indemnify, hold harmless or defend the Agency against any losses, damages, injuries, liabilities, and claims arising from the gross negligence or willful misconduct of the Agency, or its officers, agents and employees.
- 7.16. No Agency. No agent, employee or servant of the Developer, the Agency or the City is or shall be deemed to be an employee, agent or servant of the other Party.
- 7.17. Ethical Standards. The Developer represents that they have not: (a) provided an illegal gift or payoff to any officer or employee of the City or the Agency, or former officer or employee of the City or the Agency, or to any relative or business entity of a officer or employee of the City or the Agency; (b) retained any person to solicit or secure this contract upon an agreement or understanding for a commission,

7.18. Non-Discrimination. The Developer, and all persons acting on its behalf, agree that they shall comply with all federal, state and City laws, rules and regulations governing discrimination and they shall not discriminate in the engagement or employment of any professional person or any other person qualified to perform the services required under this Agreement.

DEVELOPER:

By: \_\_\_\_\_

Title: \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, personally appeared before me \_\_\_\_\_  
who being by me duly sworn did say that he is the \_\_\_\_\_ of SHADOW  
POINT, LLC, and that said instrument was signed on behalf of said limited liability  
company.

NOTARY PUBLIC

AGENCY:

REDEVELOPMENT AGENCY  
OF SYRACUSE CITY

By: \_\_\_\_\_

Mayor Michael Gailey  
Executive Director

Attest:

\_\_\_\_\_  
Cassie Z. Brown, MMC

Approved as to Form:

\_\_\_\_\_  
Paul H. Roberts, Counsel

STATE OF UTAH                    )  
                                                  ) ss.  
COUNTY OF DAVIS                )

On \_\_\_\_\_, 20\_\_\_\_, personally appeared before me Michael Gailey, who being by me duly sworn did say that he is the Executive Director of the Redevelopment Agency of Syracuse City, and that said instrument was signed on behalf of the Redevelopment Agency of Syracuse City, by authority of law.

\_\_\_\_\_  
NOTARY PUBLIC