

Minutes of the Special Meeting of the Syracuse City Redevelopment Agency held on November 12, 2019, at 7:30 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:

Administrative Services Director Steve Marshall  
City Attorney Paul Roberts  
Police Chief Garret Atkin  
Fire Chief Aaron Byington  
Parks and Recreation Director Kresta Robinson  
Community and Economic Development Director Noah Steele  
City Engineer Brian Bloemen  
Administrative Intern Brittany Morgan

1. Meeting Called to Order/Adopt Agenda

Mayor Gailey called the meeting to order at 7:30 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. Approval of minutes.

The following minutes were reviewed by the Board: Special Meeting of September 10, 2019.

BOARDMEMBER BOLDUC MADE A MOTION TO APPROVE THE MINUTES LISTED ON THE AGENDA AS PRESENTED. BOARDMEMBER PETERSON SECONDED THE MOTION; ALL VOTED AYE.

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.

A staff memo from the Community and Economic Development (CED) Director explained 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 square 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.

CED Director Steele reviewed his staff memo.

Boardmember Savage stated he was initially concerned that the incentive amount requested was too high in relation to the business use; however, after further consideration, he is willing to take the risk as he believes that this business improvement will spur continued business development in the area.

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Boardmember Bingham agreed and added she feels this action will communicate to business owners that Syracuse City is progressive and that a business locating in this community can be sustained.

Boardmember Maughan stated he is also supportive of the project and the associated incentive, but noted he has some concerns about the manner in which this incentive will restrict the amount of money available for other qualifying projects in the RDA area. Mr. Steele clarified that the applicant will only receive 75 percent of the increment their business generates, not 75 percent of the total increment generated in the entire RDA area. Boardmember Maughan stated that addresses his concern.

Boardmember Peterson stated he appreciates that the incentive is tied directly to the business's performance; they do not receive the total amount if they do not uphold their commitments in the agreement. Mr. Steele agreed. Boardmember Peterson stated he is supportive of the incentive and he has heard from many citizens about their excitement about the project. Boardmember Bolduc stated she has also heard from several residents who are excited about the project.

BOARDMEMBER BOLDUC MADE A MOTION TO AUTHORIZE EXECUTION OF AN AGREEMENT BETWEEN SYRACUSE CITY REDEVELOPMENT AGENCY AND SHADOW POINT, LLC, FOR TAX INCREMENT REBATES RELATES TO DEVELOPMENT OF A LARGE GYM FACILITY. BOARDMEMBER SAVAGE SECONDED THE MOTION, ALL VOTED IN FAVOR.

At 7:37 p.m. BOARDMEMBER SAVAGE MADE A MOTION TO ADJOURN. BOARDMEMBER BINGHAM SECONDED THE MOTION; ALL VOTED IN FAVOR.

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Mike Gailey  
Mayor

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Cassie Z. Brown, MMC  
City Recorder

Date approved: December 10, 2019