

MINUTES OF THE HELPER COMMUNITY REINVESTMENT AGENCY MEETING

Thursday, December 2, 2021

5:30 p.m.

Electronic meeting, broadcasted on YouTube

Helper, Utah 84526

ATTENDANCE:

Chairman: Lenise Peterman

Council Members:

Donna Archuleta – Absent

Michelle Goldsmith

Gary Harwood

Malarie Matsuda

Amanda Wheeler

City Staff

Secretary: Zack Tonic

Chief: Chris Gigliotti

City Attorney:

Citizens: Barry Horsley, Adam Long, Tom Lund, Matt Montoya, Kimberly Kuehn, and Allie Farnham.

**DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 2021-13, A
RESOLUTION DISSOLVING THE CASTLE GATE COMMUNITY REINVESTMENT
PROJECT AREA.**

Mayor Peterman stated she worked with Adam Long on preparing the dissolution of the Castle Gate Community Reinvestment Project Area. She explained with the sale of the RV Park, the tax break does not transfer to new owners.

Council Member Matsuda stated she read through the Project Area plan, and there is no mention of Tom Lund, just the area of the RV Park. She read the Project Area plan introduction. She also stated she does not see how the Project Area plan has changed, because of new ownership. She is uncomfortable moving forward without speaking with legal counsel and the current property owners being present.

Council Member Matsuda asked to table this agenda until she has had a chance to discuss this with legal representation because it felt shady to her. Council Member Harwood commented there is nothing shady about it, Tom Lund took all the risk, not the new owner.

Council Member Matsuda stated in Roberts Rules of Order if a council member asks to table an agenda item it should be tabled until the next meeting. Council Member Harwood stated Council Member Matsuda is not correct. Mayor Peterman clarified Roberts Rules of Order require a motion to be tabled and be seconded.

Council Member Matsuda motioned to table this agenda item, no second was made.

Council Member Wheeler stated she was under the understanding that the redevelopment agency helped new developers or business owners develop an empty lot. We have been working backward to help the Castle Gate RV Park, but now that someone has bought the RV Park that has been developed. Our help is not needed because they have bought a developed business. Council Member Matsuda responded it makes her personally uncomfortable to discuss this without all parties at the table. Council Member Wheeler asked Council Member Matsuda who we would be discussing this with, with the new owner or with no one present.

Attorney Adam Long joined the meeting and Mayor Peterman asked Adam Long to give a broader context since the property has been sold.

Adam Long stated, the purpose of the Community Reinvestment is to help a business owner to develop a piece of property. The development of the property to create a business will bring benefits to the city, and the financing is sound. Once the business has been sold and purchased at fair market value. The new owner has done their due diligence and the business is desirable to them. Since the business has been sold the agency has no way to justify its involvement.

Council Member Matsuda asked Adam Long if it is typical to dissolve the project area without talking to the current property owner. Adam Long responded, the agency does not have any obligation to do anything for Tom Lund or the new owner of the business, because we have not gotten that far in the process. Council Member Matsuda stated she would like to give the new owners a chance to participate. Council Member Wheeler responded if you contacted the new owner, how long would they have to respond. Council Member Matsuda responded by the next meeting would give them a month.

Council Member Goldsmith stated we had not been informed the sale was pending with the new owners, and the sale of the property was probably going on during this process. The city has spent thousands of dollars for this process, Council Member Matsuda interrupted with we started this process two or three years ago. Council Member Goldsmith continued, during her involvement in the process of writing and voting on parts of this, and the sale was pending. Council Member Matsuda interrupted, you are assuming and without the new owner's input, is not fair.

Adam Long stated the agency has no obligation whatsoever to Tom Lund, the new owner, or the business. Council Member Matsuda stated the project area was created for the area, and the success of the RV park, and she is concerned with the success of the RV park.

Mayor Peterman asked Adam Long if the agreement does not allow for a transition to a new owner. Adam Long responded, that is correct, the tax incentive is not typically transferred if sold. Also, we have not got far enough in the process for this to be discussed. This would be stated in the participation agreement, we were working on the agreements with the local taxing entities. Mayor Peterman asked Adam Long if this were to continue, would we be renegotiating with a new owner? Adam Long responded, yes, everything we have done so far has to do with the taxing entities and

created a project area. We have not gotten to the point of negotiation with the business owner. Mayor Peterman asked if we wanted to negotiate a cheaper rate with the new owner, would that be on the table. Adam Long responded yes but we have not gotten to that part yet, we would need to have an agreement with the other taxing entities. Council Member Matsuda said that has already been done. Adam Long responded, no, it was discussed but was never put on paper.

Tom Lund interrupted the meeting asking if he could comment. Mayor Peterman stated Public comments were at the beginning of the meeting. If he keeps it brief, she will allow it, but if it gets out of control she will cut it off. Tom Lund responded he understands.

Tom Lund stated all the local taxing entities voted to participate in the tax rebate. However, he does not know if anything had been signed. Adam Long asked if he could cut in, Tom Lund said yes. Adam Long explained, there was no approved written agreement, legally there is no agreement. Tom Lund stated, no one communicated that to him, he thought the process was done, if he had known it was not he may have opted to not sell. Adam Long interrupted, I have the emails sent detailing the process to him. Tom Lund said he would like to see them because that is not how he understood them. Tom Lund continued, in 2020 he paid more property tax than he was supposed to by 20,000 dollars. The new county assessor reassessed the value of the property, there is no other way than litigation for him to recover the overpayment. He agreed with the new owners, he gets the tax rebate. He did this so he did not have to go through litigation to receive the 20,000 dollars he overpaid in tax. He thought the incentive was supposed to go with the property in the event of being sold. He did not know he had to stay the owner to receive the tax incentives. The new owners did their first site visit in August of this year and in September they put an offer in. He said the new owners financed the purchase of the RV park. Tom stated the park has launched but is not established, it takes five years to become an established business. He did not receive any extra money for relaying the tax incentives to the new owners.

Council Member Wheeler asked Tom Lund about getting reimbursement from the new park owners for tax incentives. Tom Lund stated, yes it would be how he recovers the tax he overpaid. Council Member Wheeler asked if Tom Lund would be receiving money for the next five to ten years. Tom Lund responded, no.

Council Member Matsuda stated she would like to wait for the new owners before continuing. Council Member Wheeler stated it is up to the new owner to come to us to ask for help. Council Member Matsuda stated it is not for established businesses, and this is already in place under special circumstances. Council Member Wheeler stated they should not need help because they bought a developed business, they knew or should have looked into it. Council Member Matsuda stated she did not know about Tom Lund including the tax incentive in the sale of the property. Council Member Matsuda stated we should inform the new owner because we are discussing their property. Council Member Wheeler stated it is the new owner's responsibility to look into this, it is not our responsibility to inform them. Tom Lund stated as a developer no one is there to tell you about this kind of stuff. Adam Long responded a notice of project

area creation is recorded against the property with the county recorder, it is a state law requirement.

Mayor Peterman stated we have done a lengthy discussion so she is asking for a motion to approve resolution 2021-10. Council Member Goldsmith made a motion.

Council Member Goldsmith moved to approve Resolution 2021-13, a resolution dissolving the Castle Gate Community Reinvestment Project Area. Council Member Harwood seconded the motion. Motion carried, the council roll call vote is as follows: Goldsmith, Harwood, and Wheeler all voting yes, and Matsuda voting no.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 2021-14, A RESOLUTION RESCINDING THE INTERLOCAL AGREEMENT WITH HELPER CITY FOR THE CASTLE GATE COMMUNITY REINVESTMENT PROJECT AREA.

Council Member Goldsmith moved to approve Resolution 2021-14, a resolution rescinding the interlocal agreement with Helper City for the Castle Gate Community Reinvestment Project Area. Council Member Harwood seconded the motion. Motion carried, the council roll call vote is as follows: Goldsmith, Harwood, and Wheeler all voting yes, and Matsuda voting no.

ADJOURN AS THE HELPER CITY COMMUNITY REINVESTMENT AGENCY AND RECONVENE AS THE HELPER CITY COUNCIL.

There being no further business Council Member Harwood moved to adjourn as the Helper City Community Reinvestment Agency and Reconvene as the Helper City Council. Council Member Wheeler seconded the motion. Motion carried, the council roll call vote is as follows: Goldsmith, Harwood, Matsuda, and Wheeler all voting yes.

I hereby certify that the foregoing represents a true, accurate, and complete record of the Helper Community Redevelopment Agency held on Thursday, December 2nd, 2021.


Lenise Peterman
Chairman


Zack Tonic
Secretary

Approved on January 6, 2022