

**MINUTES
COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
ENOCH CITY OFFICE
900 E. MIDVALLEY ROAD
AUGUST 21, 2019
DURING A REGULAR CITY COUNCIL MEETING**

1. CALL MEETING TO ORDER-By Chairman Chesnut at 6:50pm.

a. APPROVE CDRA AGENDA FOR AUGUST 21, 2019-Motion to approve agenda by Board Member Harris. Motion seconded by Board Member Stoor and all voted in favor.

b. APPROVE MINUTES OF CDRA MEETING FOR March 1, 2017-Motion to approve minutes by Board Member Harris. Motion seconded by Board Member Lee and all voted in favor.

2. DISCUSS THE DRAFT COMMUNITY DEVELOPMENT PLAN FOR THE ENOCH VALLEY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA AND SET A PUBLIC HEARING FOR SEPTEMBER 4, 2019

City Manager Dotson updated the CDRA Board and the public in attendance on what the CDRA does and how it works. He explained Utah Code regarding the “Community Reinvestment Act, Title 17. This is to provide economic incentives within a certain area. We created this agency and then it was renamed by the State Code so we adopted that which is now the CDRA. This is separate from the City Council and is made up of the Council members. The main point is that the CDRA can take a designated area and provide financial incentives for business. There has to be a plan for that area and we had one in the past called Enoch Station. Now that name had been revised by the property owners to be called Enoch Valley Crossing.

The owner of Foster’s Market have come to us through the Economic Development Committee (EDC) and requested some incentives that are available from the CDRA. The CDRA and the City are two separate bodies and a participation agreement is made with owners of properties. The area plan is on our map as the 22 acres now called Enoch Valley Crossing. The only change is the name and that it has been split into three parcels. Two are owned by Fosters and the other parcel is owned by Associated Foods. Foster’s Market is under construction now. He went through the more details of the development plan.

The CDRA can purchase, sell and lease property as if we are a business. He noted this is for commercial uses only. The CDRA is financed by the City obtaining the taxes from the project area. The City then by agreement gives a certain increment to the CDRA who has authority to give to tax rebates back to a business or whoever they decide within the law. That is how that works; collection by the City, remittance to the CDRA and then the CDRA remits it to whatever. He went on with possible figures saying this could be done in a ten year increment on rebating taxes or whatever formula the CDRA Board chooses. This was our intention when we created the CDRA and this plan has not changed except for the name of the area. What the CDRA is going to do with the area to incentivize business to come in. The thought was to establish an anchor store and then have growth come around that. It is required we hold a public hearing due to the name change.

Board Member Harris made a motion to set a public hearing for the next CDRA meeting on September 4, 2019. Motion was seconded by Board Member Owens and all voted in favor.

3. DISCUSS THE INTER-LOCAL COOPERATION AGREEMENT BY AND BETWEEN THE ENOCH CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY AND ENOCH CITY FOR THE ENOCH VALLEY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA

This part is a discussion that will come after the public hearing for approval of the change discussed above. City Manager Dotson said he needs input from the Board. Enoch collects taxes and remits to the CDRA who then does whatever they choose regarding business incentives. This wording in the agreement is based on things that are being done with solar farms by the County so not all of the language shown here is relevant to what we are doing. The most important things are the tax increments and that is not decided. He gave details saying we start with what the tax was before there was any improvement to the property. That base year is 2018. The tax increment comes after they are open for business and after taxes are obtained from the business. That is what the City gets and then gives to the CDRA. We need to decide what Enoch will give to the CDRA who gives it back to the business should they so choose. When a business decides to build in Enoch they take the risk to build here and this is in effect a reward or incentive for taking that risk. Do we want to rebate 100% or less? That can go down incrementally after five years as one of the choices.

Board Member Harris asked if we budgeted for this and was told no. The City budget will change due to the business taxes coming in from Foster's, once they are open but there is nothing there now in the budget. After the property is developed the property tax will go up substantially and so the tax increment changes. Board Member Harris said we could do 100% for 5 years but we are not obligated to do that. City Manager Dotson confirmed there is no obligation, just an expectation. No promises made have been made. We may not even want to do it. The City could lose a lot of money being that generous. It was noted that sales tax is the burden for the consumer not the business. The business just collects it and does the paperwork. Chairman Chesnut said what we would be getting is our portion which is 1% or the sales taxes so only giving that portion up may be acceptable. Board Member Harris said he is ok with giving the 100%. City Manager Dotson said that is not the question tonight. Board Member Lee asked if we anticipated that development on that corner and was told yes, we set it up and it is the same as when it was created except for the name change. City Manager Dotson said Associated Foods hired an attorney to create our CDA, now CDRA, for the City and they paid for that. They still own the corner and Fosters is buying foods from them. It is Fosters requesting this. That corner was always intended as the hub for commercial business. City Manager Dotson was instructed to scratch the sales tax part out. Chairman Chesnut asked what else so we need to discuss. That was it City Manager Dotson said. The rest is standard. Only the area plan is subject to the public hearing we are holding in the next meeting.

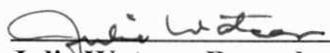
4. DISCUSS FOSTER'S MARKET PARTICIPATION AGREEMENT BY AND BETWEEN THE ENOCH CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY AND ENOCH VALLEY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA

This is the agreement between the CDRA and Fosters Market. There are some blanks to fill in. City Manager Dotson wanted to make it clear that we are protected in a few places which he read and detailed. Basically we give notice that our agreement is with Fosters Market. Transfer to another owner is prohibited. They can't sublease the site of Fosters Market. They can divest themselves of this agreement. If they sell it we can terminate the agreement City Attorney Wayment said. They could sell shares in Foster's Market. If they sell to anyone else it is a different ballgame. City Manager Dotson read the obligations of the parties saying that is where we fill in some numbers. There was more discussion of the possibilities for the disbursement of the tax rebate we may choose to give Fosters. We get all the tax increment back in the end in the CDRA. The CDRA keeps 3% for executive and staff to manage it and pay our attorney. etc. Chairman Chesnut asked about top of page 5 where it says 100%. He asked 100% of what? The tax increment "net" after these things are taken out and not just a straight amount above the base. There are withholdings. It is anticipated, City Attorney Wayment said. It is not gross, it is net. City Manager Dotson said we have to work on that on because we are not required to do the affordable housing increment part and will remove that part. The CDRA decides how much to give to them City Manager Dotson said. This says 3% for what we keep of 100% of the net. Once we get to year five and take it down they don't get the full amount. We will work on that. There are conditions to payment, City Manager Dotson said. It was noted they have to request it every year. There was more discussion of when this would start and some of the other wording that may not apply to our situation with Fosters Market. It was noted this was written by the County with solar farms in mind and that is a different circumstance. Basically, City Manager Dotson said, they can start the tax increment next year or they can say wait a year. The project area pays taxes and the City collects it and then the CDRA gets it from the City and remits it to them. We are agreeing to pay them. At this time we have no funds to pay out so we need to change the date to start this. A lot of language will change here and it is confusing now.

Chairman Chesnut said for tonight we need to discuss the values of 100% and timeframes and whether we retain our local option. The Board was fine with that. Fosters is taking more risk than others so the Board was inclined to incentivize that and give credit for the risk. This does not set a precedent for others. There will be some hard costs like law enforcement, Chairman Chesnut said, and they should get a benefit for five years. They haven't asked for anything else City Manager Dotson said, such as fee waivers or anything. Chairman Chesnut said we will input the number agreed on and have our legal counsel clean up the agreement. City Attorney Wayment said this is an impetus for growth. They are taking a risk but are starting growth here.

5. ADJOURN CDRA MEETING AND RETURN TO REGULAR CITY COUNCIL MEETING

Motion to adjourn and return to the regular City Council meeting by Board Member Harris. Motion seconded by Board Member Ross and all voted in favor.

 9-18-19
Julie Watson, Recorder Date