



**NOTICE OF A MEETING OF THE VINEYARD
REDEVELOPMENT AGENCY BOARD
May 9, 2018 – 5:00 PM**

Public Notice is hereby given that the Vineyard Redevelopment Agency Board will hold a meeting on Wednesday, May 9, 2018, starting at approximately 5:00 PM or as soon thereafter as possible following the City Council meeting in the Vineyard City Hall; 240 East Gammon Road, Vineyard, Utah. The agenda will consist of the following:

Agenda

1. CALL TO ORDER

2. CONSENT AGENDA:

- a) Approval of April 11, 2018 RDA Meeting Minutes

3. BUSINESS ITEMS:

3.1 DISCUSSION AND ACTION – Proposed Tentative Fiscal Year 2018-2019 RDA Budget

(15minutes)

City Manager/Finance Director Jacob McHargue will present the proposed Tentative Fiscal Year 2018-2019 RDA Budget. The RDA Board may act to adopt the proposed tentative budget and set a Public Hearing for May 23, 2018 to receive public comment concerning the adopted tentative budget.

4. ADJOURNMENT

The next meeting is scheduled for May 23, 2018.

The Public is invited to participate in all Vineyard Redevelopment Agency meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder at least 24 hours before the meeting by calling (801) 226-1929.

I the undersigned duly appointed City Recorder for Vineyard, Utah, hereby certify that the foregoing notice and agenda was emailed to the Daily Herald, posted at the Vineyard City Hall and offices, the Vineyard city website, the Utah Public Notice website, delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: May 7, 2018

CERTIFIED (NOTICED) BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY RECORDER

1 MINUTES OF THE VINEYARD
2 REDEVELOPMENT AGENCY BOARD MEETING
3 240 East Gammon Road, Vineyard, Utah
4 April 11, 2018 – 6:50 PM
5

6
7 **Present**

8 Chair Julie Fullmer
9 Boardmember John Earnest
10 Boardmember Tyce Flake
11 Boardmember Chris Judd
12

Absent

Boardmember Nate Riley

13 **Staff Present:** City Manager/Finance Director Jacob McHargue, Public Works
14 Director/Engineer Don Overson, Wastewater Manager Eric Christensen, City Attorney David
15 Church, Sergeant Holden Rockwell with the Utah County Sheriff's Department, Community
16 Development Director Morgan Brim, City Planner Elizabeth Hart, City Recorder Pamela
17 Spencer, Building Official George Reid, Water/Parks Manager Sullivan Love, Planning
18 Commission Chair Cristy Welsh
19

20 **Others Present:** Residents Stan Jenne and Tyler Aston; Steve Thompson and Andy Flamm with
21 Geneva Nitrogen
22
23

24 **6:50 PM REDEVELOPMENT AGENCY**

25
26 Chair Fullmer called the RDA meeting to order at 6:50 PM.
27
28

29 **CONSENT ITEMS**

30 a) Approval of the March 14, 2018 RDA Meeting Minutes
31
32

Chair Fullmer called for a motion.

33
34 **Motion:** BOARDMEMBER FLAKE MOVED TO APPROVE THE CONSENT ITEM.
35 BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER,
36 BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER
37 RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.
38

39 **BUSINESS ITEMS**

40 **3.1 DISCUSSION AND ACTION - Geneva Nitrogen Application**

41 Geneva Nitrogen is requesting cleanup of soil and groundwater contamination, heavy
42 industrial equipment, asbestos, and railroad tracks. Geneva Nitrogen would prefer
43 upfront assistance to complete this project but would be willing to defer some portion
44 to be received on the back end of the project as property tax increment. The RDA
45 Board will take appropriate action.
46

47 Chair Fullmer turned the time over to City Manager/Finance Director Jacob McHargue.
48

49 Mr. McHargue explained that Geneva Nitrogen requested to move forward with their
50 application. He said that the new cost would be about \$7 million and Geneva Nitrogen
51 anticipated that the cleanup would be completed around April 2019 with construction starting
52 early summer of 2019.

53
54 Mr. McHargue reviewed the analysis of the projected tax increment for the development. He
55 said that they were projecting that the RDA would receive \$713,000 of tax increment a year
56 based off of potential development. There was a discussion about building coverage and square
57 footage.

58
59 Mr. McHargue explained that staff's recommendation was to share 60 percent of the tax
60 increment for 15 years. He said that this would give the developer full value for the first 12
61 years with a 3-year buffer built in. He added that if the RDA could facilitate development on
62 the frontend it could give more tax increment. He reminded the board that the RDA would
63 have to trigger all of the land in the RDA area by 2021.

64
65 Mr. McHargue said that, with the staff recommendation, the RDA would be participating in 75
66 percent of the cost, capped at \$5,287,500.

67
68 Steve Thompson with Geneva Nitrogen reviewed their proposal. He said that they were
69 looking for help to remediate the property and switch the land use from industrial to
70 commercial.

71
72 Boardmember Judd asked if there would be a tie to a zoning change in the agreement. Mr. Brim
73 recommended that if they approved the application they could include a zoning change in the
74 motion. Mr. Church stated that if they approved the application, they would approve this
75 concept, subject to the RDA negotiating a participation agreement that furthered the move from
76 industrial to commercial and included these basic elements. He said that the agreement would
77 incentivize the landowner to change the zoning. The financial participation would be conditioned
78 on the landowner following through and changing to the desired zoning. Mr. Thompson stated
79 that they were not sure what the zoning request would be. He said that it could be regional
80 commercial or something similar. They would like to see it be open-ended to determine which
81 was best for the property and the city.

82
83 Chair Fullmer called for public comments.

84
85 Resident Stan Jenne living in The Shores subdivision asked about removing the rail spur. Mr.
86 Thompson explained that the rail spur on their property would go away if they no longer had
87 an industrial use. He said that if the spur was not removed they would request to move the
88 crossing from 1165 North to 1200 North and request an additional crossing at 1400 North to
89 give them full access to the property. He said that it was unknown what Union Pacific would
90 be willing to give them. There was further discussion about the rail line and road access.

91
92 Boardmember Judd stated that he would like to require the removal of the spur in the
93 agreement. Mr. Church said that they would itemize what the board wanted in the agreement
94 and since it would be incentive based, if they did not accomplish it then the tax increment
95 would not be there. He added that the cost of cleanup to move it from an industrial state to
96 something else would be increased. The RDA would be incentivizing the extra cleanup.

97

98 Tyler Aston living in the Westbrook subdivision asked if there were any developmental
99 constraints because of the spring that ran through their property. Mr. Thompson replied that he
100 did not know at this time. He added that they still needed to find out who owned the water.
101 Boardmember Earnest felt that they needed to get the property usable as soon as possible.

102

103 Boardmember Judd asked Mr. Thompson what assurances the board would have that he could
104 accomplish the cleanup and development in a timely fashion. Mr. Thompson replied that it was
105 already built into their business plan and had every intention of completing the project. He
106 added that there was no risk to the city.

107

108 Boardmember Judd asked about the timeline. Mr. Thompson stated that he was concerned with
109 the 2021 hard trigger and was asking for more time. He said that if the rail spur were to go
110 away it would remove the 1600 North crossing, which would be helpful to Geneva Nitrogen
111 and the city.

112

113 Mr. McHargue stated that staff's recommendation was that the RDA approve staff to move
114 forward with the participation agreement, which was that the RDA share 60 percent of the tax
115 increment for 15 years with a cap of \$5,287,500. Participation from the RDA would be 75% of
116 the project.

117

118 Boardmember Judd asked what the downside would be if they were to give them up to 20 years
119 to complete the project. Mr. McHargue felt that the 15 years was a reasonable amount and
120 would put pressure on the developer to complete the project sooner rather than later.

121

122 Boardmember Judd asked if there would be any cost savings if the rail spur were removed. Mr.
123 Church replied that if Geneva Nitrogen did not need the spur and removed it, there would be a
124 cost savings of less than \$1 million because of not having to build the new connection. Chair
125 Fullmer asked for clarification on the spur line. Mr. Church reiterated that not having to build
126 the new spur line would be the cost savings. There was further discussion about the spur line.

127

128 Boardmember Judd felt that there would be a risk to the RDA as far as budgeting went. He was
129 okay with the 15 years which he felt could eliminate some risk. Mr. Thompson stated that
130 when looking at the Anderson Geneva property and how long it was taking to build out, he felt
131 there were a lot of factors that were out of their control. He also felt that 20 years would be
132 more favorable. Boardmember Judd asked if the developer could apply for a change to the
133 agreement later in the project. Mr. Church asked if they wanted to incentivize the cleanup or
134 the development. He said that the board could state that if the cleanup was done in a certain
135 amount of time the developer could have more time to develop the property. Mr. Thompson
136 agreed with that because by the time the land was cleaned up the money would have already
137 been spent and would give them more time to earn the payback. Mr. Church felt that it was
138 important to enter into the agreement and make sure that the work was progressing to cleanup
139 land to be able to move it from industrial to commercial. He added that whether the market
140 would support the developer's business concept would be at their risk.

141

142 Chair Fullmer called for a motion.

143

144

145 **Motion:** BOARDMEMBER EARNEST MOVED TO APPROVE THE GENEVA NITROGEN
146 APPLICATION SUBJECT TO THE PARTICIPATION AGREEMENT THAT BOTH SIDES
147 AGREE ON. BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER,
148 BOARDMEMBERS EARNEST, FLAKE, AND JUDD VOTED AYE. BOARDMEMBER
149 RILEY WAS ABSENT. MOTION CARRIED WITH ONE ABSENT.

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151

152 **ADJOURNMENT**

153

154 Chair Fullmer called for a motion to adjourn the RDA meeting and go into the closed session.

155

156 **Motion:** BOARDMEMBER JUDD MOVED TO ADJOURN THE RDA MEETING AND TO
157 GO INTO THE CLOSED SESSION AT 7:17 PM. BOARDMEMBER FLAKE SECONDED
158 THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, AND JUDD
159 VOTED AYE. BOARDMEMBER RILEY WAS ABSENT. MOTION CARRIED WITH ONE
160 ABSENT.

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166 MINUTES APPROVED ON: _____

167

168 CERTIFIED CORRECT BY: /s/ Pamela Spencer

169 PAMELA SPENCER, CITY RECORDER

Vineyard City
Budgeting Worksheet
25 Redvelopment Agency - 07/01/2018 to 06/30/2019
100.00% of the fiscal year has expired

	2016 Actual	2017 Actual	2018 Actual	2018 Budget	2019 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Revenue:								
Taxes								
3110 PROPERTY TAX INCREMENT	3,758,914	5,703,340	6,786,593	6,786,593	0	8,097,000	8,097,000	
3112 PROPERTY TAX HOUSING	1,029,840	0	0	0	0	0	0	
3113 PROPERTY TAX ADMIN	360,444	364,043	357,189	357,189	0	337,400	337,400	
Total Taxes	5,149,198	6,067,383	7,143,782	7,143,782	0	8,434,400	8,434,400	
Interest								
3660 INTEREST INCOME	162,581	335,306	640,902	500,000	0	500,000	500,000	
Total Interest	162,581	335,306	640,902	500,000	0	500,000	500,000	
Miscellaneous revenue								
3430 ADMINISTRATIVE COSTS	67,035	34,875	0	0	0	0	0	
3820 BOND PROCEEDS	16,157,372	15,576,000	30,552,034	30,000,000	0	0	0	
Total Miscellaneous revenue	16,224,407	15,610,875	30,552,034	30,000,000	0	0	0	
Contributions and transfers								
3960 EXCESS BEG. FUND APPROPRIATION	0	0	0	0	0	20,500,300	20,500,300	
Total Contributions and transfers	0	0	0	0	0	20,500,300	20,500,300	
Total Revenue:	21,536,186	22,013,564	38,336,718	37,643,782	0	29,434,700	29,434,700	
Expenditures:								
Miscellaneous								
5500 RDA Salaries & Wages	80,615	161,174	145,005	185,100	0	185,100	185,100	
5510 Employee Benefits	19,105	30,789	32,018	53,100	0	53,100	53,100	
5520 PUBLIC NOTICES	1,523	0	0	2,000	0	2,000	2,000	
5531 PROF & TECH - GENERAL	74,729	60,981	28,231	57,600	0	27,600	27,600	
5532 PROF & TECH - PLANNER	3,746	1,272	0	0	0	50,000	50,000	
5533 PROF & TECH - ENGINEER	119,849	250,140	118,396	150,000	0	150,000	150,000	
5534 PROF & TECH - FIN PLAN	153,500	140,580	33,150	33,200	0	12,000	12,000	
5535 PROF & TECH - AUDITOR	2,400	2,400	4,000	4,000	0	4,000	4,000	
5537 ADMINISTRATIVE FEE	72,226	0	0	0	0	0	0	
5540 HOUSING FUND	0	249,683	39,970	280,000	0	140,000	140,000	
5542 TIFF PAYMENTS	27,208	700,313	1,024,712	1,665,000	0	2,880,200	2,880,200	
5600 Bond issuance costs	0	0	106,650	115,000	0	0	0	
8010 DEBT PRINCIPAL PAYMENTS	688,000	20,469,000	1,462,580	3,371,000	0	2,951,000	2,951,000	
8020 DEBT INTEREST PAYMENT	597,636	1,046,417	672,194	1,516,900	0	1,579,700	1,579,700	
9070 CAPITAL PROJECTS	2,881,806	2,720,568	3,622,233	10,611,000	0	21,400,000	21,400,000	
Total Miscellaneous	4,722,343	25,833,317	7,289,139	18,043,900	0	29,434,700	29,434,700	
Transfers								
9680 Budgeted Increase in Fund Balance	0	0	0	19,599,882	0	0	0	
Total Transfers	0	0	0	19,599,882	0	0	0	
Total Expenditures:	4,722,343	25,833,317	7,289,139	37,643,782	0	29,434,700	29,434,700	
Total Change In Net Position	16,813,843	(3,819,753)	31,047,579	0	0	0	0	