

MINUTES OF A WORK SESSION OF THE VINEYARD  
REDEVELOPMENT AGENCY BOARD  
City Hall, 240 East Gammon Road, Vineyard, Utah  
January 10, 2018 – 6:00 PM

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**Present**

Chair Julie Fullmer  
Boardmember John Earnest  
Boardmember Tyce Flake  
Boardmember Chris Judd  
Boardmember Nate Riley

**Absent**

**Staff Present:** City Manager/Finance Director Jacob McHargue, Public Works Director/Engineer Don Overson, City Attorney David Church, Sergeant Holden Rockwell with the Utah County Sheriff's Department, Community Development Director Morgan Brim, Water/Parks Manager Sullivan Love, Storm Water Manager Sam Bell, Building Official George Reid, Records Management Assistant Kelly Kloepfer, Planning Commission Chair Cristy Welsh

**Others Present:** Planning Commissioner and Resident Anthony Jenkins, Residents David Lauret, Craig and Stefanie Bown, Darren Smith, Stan Jenne, and Bryce Brady; Stewart Park with Anderson Geneva; Andy Flamm, Jacob Briggs, and Steve Thompson with Geneva Nitrogen

**7:38 PM RDA MEETING**

Chair Fullmer conducted the meeting. She opened the meeting at 7:38 PM.

**CONSENT AGENDA:**

- a) Approval of the December 13, 2017 RDA Meeting Minutes

Chair Fullmer called for a motion.

**Motion:** BOARDMEMBER FLAKE MOVED TO APPROVE THE CONSENT ITEM. BOARDMEMBER RILEY SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

**WORK SESSION:**

**Geneva Nitrogen Application**

Geneva Nitrogen is requesting cleanup of soil and groundwater contamination, heavy industrial equipment, asbestos, and railroad tracks. Geneva Nitrogen would prefer up front assistance to complete this project but would be willing to defer some portion to be received on the back end of the project as property tax increment.

Mr. McHargue summarized the Geneva Nitrogen application. He emphasized that this was an important discussion for the Board to have before deciding on the rail spur. Whether or not the site remained an industrial site depended on whether or not they removed the rail spur. He explained that he wanted Geneva Nitrogen to speak to the Board and present their plans and timeline and to answer questions.

Steve Thompson, president of Geneva Nitrogen, explained that with the potential realignment of the railroad track, his company was re-evaluating what they wanted to do with the property, whether they wanted to keep it an industrial use or change the use of the property. With some assistance, they could pull the rail out and turn it to a commercial use.

Chair Fullmer asked for questions.

Boardmember Riley remarked that when thinking about the RDA giving assistance, he framed it as: if the RDA did nothing, they would get product A, and if they gave RDA funds, then they would get a better and higher use, product B. He asked Mr. Thompson if the RDA funded this, to what standard would it bring the property, and if it would still be an industrial use. Mr. Thompson replied that they believed it would bring it to any of the permitted commercial uses for the property. He added that they could continue to operate in an industrial use, with continued rail service.

Chair Fullmer asked why the demolition was necessary as part of the application. Mr. Thompson replied that the demolition was part of changing the use. Mr. McHargue commented that what started this discussion with Geneva Nitrogen was that a substantial portion of Union Pacific's cost would be building Geneva Nitrogen's track after the rail spur removal. He explained that the Board would be able to remove close to \$2 million in costs if Geneva Nitrogen's industrial use were to go away. He added that with a continued industrial use, the rail spur would need to stay across 1600 North. He concluded that changing the use would solve a lot of problems.

Mr. Brim said that he had been contacted by a heavy industrial user who was interested in using the site, and would only need to make minor modifications. He acknowledged the Board's wishes, as stated in previous discussions, to see Geneva Road transformed. That would mean getting the property to a point where it could be used for light manufacturing, light industrial, or commercial. To do any of those, the property would need cleanup. He noted that without RDA assistance, the property would most likely remain heavy industrial use. With RDA assistance, he felt that there was a lot of potential to see something other than heavy industrial use.

Boardmember Flake asked Mr. Brim about the zones next to the Geneva Nitrogen property. Mr. Brim pointed out the Regional Commercial (RC) and Flex Office & Industry (FOI) zones on the zoning map. Mr. Brim explained that the Industrial (I-1) zone was a blanket industrial category. Mr. Brim recommended that assistance be conditioned on a rezone, and added that creating a special zoning district was an option. Mr. Church reminded the Board that the property owner would have to consent to the rezone.

Boardmember Riley asked what Orem's zoning was on the east side of that part of Geneva Road. Mr. Brim replied that he believed it was a mix of industrial, light industrial, and commercial. He told the Board that Orem had invited him and Mr. Overson to be a part of their planning process,

as Orem was looking to change the zoning in that area to eliminate the heavy industrial use.

Boardmember Earnest asked that since Vineyard was getting away from heavy industrial, why would the Board not do this. He wanted to hear the other side.

Mr. Church responded, saying that there were competing uses for the same money. There might not be enough money for what people were asking the RDA to do, so it was a matter of priorities.

Mr. McHargue said that the Board would be discussing these priorities at the retreat scheduled for January 19<sup>th</sup>. He added that the reason he wanted Geneva Nitrogen to discuss this tonight was so that the Board would know about this project before their discussion at the retreat, and before their discussion with Union Pacific (UP).

Mr. Brim commented that there were different mechanisms for providing the funding beyond just pulling from a general RDA balance. One of these would be to pull from the increment that was generated from that property, which would put the incentive on the landowner to develop the property. The quicker they develop the property, the more increment they would generate.

Boardmember Judd sought clarification, asking if it would be the developer who was buying the property who had the responsibility, not the seller. Mr. McHargue replied that the sellers would have a decision to make, because they would sell to someone, and their reimbursement on the cleanup would depend on how quickly that person developed it.

Boardmember Judd asked Mr. Thompson about Geneva Nitrogen's plan. Mr. Thompson said that they had not made a decision yet, but that they could either develop it with existing ownership or sell it. He recognized that the city wanted a less industrial use. They wanted to see if there was a use that was more consistent with the city's long-term planning that would also meet Geneva Nitrogen's needs.

Mr. Church asked if they were currently under any cleanup requirements by the DEQ. Mr. Thompson said that they had entered into a Voluntary Cleanup Program (VCP) with the state. Mr. Church asked about the timeline and the obligations they were under with that. Mr. Thompson replied that their obligation was an industrial use. He explained that they had finished the characterization work on the property, and were doing the risk analysis, and hoped to be at the point to make these decisions within a few months.

Boardmember Judd asked if the Board could have access to those agreements. Mr. Church stated that they were public. Boardmember Judd indicated that the Board would want to review them, to help them prioritize. He also asked Mr. Thompson if he could provide the records of their contributions to date if requested. Mr. Thompson said yes.

Boardmember Riley said that he wrestled with measuring contributions to date, and he wanted to be consistent. He felt that, in some way, contributions to date were in the past. As the city moved forward, he expressed hope for engagement in future contributions. He emphasized that he was not comfortable with the concept of applicants pointing to their contributions to date and expecting the RDA to come up with the difference.

Mr. Church reiterated Boardmember Riley's point, stating that the idea of the RDA was to enter into participation agreements for future work. The RDA wanted to encourage future conduct, not necessarily pay for things done in the past. He added that the Board needed to make future betterments to increase the taxing, unless it was an extraordinary circumstance. He advised the Board that when they negotiated, it needed to be for participation in future conduct.

Boardmember Judd asked Mr. Thompson what his response was to that. Mr. Thompson replied that he agreed with what they were saying, but felt that they could not discount what had been done. He said that they could talk about it. Boardmember Riley suggested that instead of discounting what they had already spent, that they could evaluate the work they had done recently as opposed to what they had done in 2010. Mr. Thompson remarked that they had spent at least half of it in 2017. Boardmember Judd mentioned that was why they wanted to find out about their records. He echoed Boardmember Riley's point that the RDA look to the future, while also acknowledging that it would be good to know how much of that contribution was in the last six months to a year.

Mr. Church recommended that they have a financial analysis of the paths and the projected increments, which would help the Board to make a decision. He said that it was possible that industrial use would generate more increment. The Board still may decide that they wanted more commercial office use in spite of the taxes, so while the analysis might not drive the decision, the Board would still want to consider it.

Mr. McHargue pointed out that they had that information, but that they were still refining the numbers and that they would have more information when the Board was ready to make a decision.

Mr. Church commented that a lot of places would love to have more industrial use because of jobs and higher property taxes, so it may not be economically better to change the use from industrial to commercial. It may just be esthetically better and better for the community and quality of life, but not economically better.

Boardmember Riley expressed concern that the Board not just consider the analysis on the 28 acres of the Geneva Nitrogen site, but also the impact on the rest of the area.

Mr. Thompson spoke to Mr. Church's point about the non-economic factors. He had felt the pressure from the community to be a good neighbor and to have consistent, compatible uses. He felt that redeveloping the property would eliminate that inconsistent use.

Boardmember Flake asked Mr. Thompson when he would be ready to approach the Board with definitive plans. Mr. Thompson said that within the next quarter they would need to decide if they were going to go with a commercial or industrial use, since that would determine their cleanup objectives and timeframes.

Mr. McHargue asked if it was an 18-month cleanup process. Mr. Thompson replied yes, adding that they could exit the VCP by the first half of 2019.

Boardmember Judd asked Mr. Church about the rail spur. Mr. Church and Mr. Overson clarified that this was talking about the private rail spur that the RDA would have to rebuild for Geneva

Nitrogen under the other deal. Mr. Thompson explained the history of rail service to Geneva Nitrogen, and clarified that the estimate in the application was to pull the on-site rail tracks off of their property, which would coincide with UP removing their tracks. This would not be included in the dollar amount the Board was discussing with UP. Mr. Church explained that the money they would be saving with the UP deal was in not having to rebuild the spur for Geneva Nitrogen.

Boardmember Judd expressed appreciation to Mr. Thompson and asked if Geneva Nitrogen had reached out to Anderson Geneva regarding cost saving measures they had used in their cleanup. He pointed out on the application how the estimated cost range for soil and groundwater cleanup ranged from \$3.1 million to \$10.2 million. Mr. Thompson told the Board that Geneva Nitrogen and Anderson Geneva used the same environmental consultant, so they were very familiar with Anderson Geneva's work on the property.

Chair Fullmer asked for more questions.

Boardmember Riley asked Stewart Park about the impact of this on what Anderson Geneva was planning. Mr. Park replied that this was the first he had heard of it, so he was not prepared to discuss it. He felt that however it happened, that a different use for the Geneva Nitrogen property would be in everyone's best interest.

#### **ADJOURNMENT**

Mayor Fullmer called for a motion to adjourn the meeting at 8:10 PM.

**Motion:** BOARDMEMBER JUDD MOVED TO ADJOURN THE MEETING. BOARDMEMBER FLAKE SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

MINUTES APPROVED ON: January 24, 2018

CERTIFIED CORRECT BY: /s/ Kelly Kloepfer  
KELLY KLOEPFER, RECORDS MANAGEMENT ASSISTANT