

**MINUTES OF THE MEETING OF
THE REDEVELOPMENT AGENCY
OF LAYTON CITY**

JANUARY 20, 2022 – 5:36P.M.

**BOARDMEMBERS AND
OFFICERS PRESENT:**

CHAIR JOY PETRO, VICE CHAIRMAN CLINT MORRIS, EXECUTIVE DIRECTOR ALEX JENSEN, BOARDMEMBERS ZACH BLOXHAM, TYSON ROBERTS, AND BETTINA SMITH EDMONDSON

PARTICIPATING ELECTRONICALLY

BOARDMEMBER THOMAS

STAFF PRESENT:

GARY CRANE, CHAD WILKINSON, LON CROWELL, DAVID PRICE, JOELLEN GRANDY, ED FRAZIER, AND SECRETARY, KIM READ

The meeting was held in the Council Conference Room of the Layton City Center.

Chair Petro opened the meeting.

MINUTES:

Boardmember Bloxham moved to approve the minutes of November 4, 2021, RDA (Redevelopment Agency) Meeting as written. Boardmember Smith Edmondson seconded the motion, which passed unanimously.

AGENDA:

ELECTION OF VICE CHAIR

Chair Petro opened the meeting and announced the need to elect the Vice Chair for the RDA. She reported the bylaws stated the Mayor would serve as the Chair, the City Manager, Alex Jensen, would serve as the Executive Director, and the Secretary would be the City Recorder, Kimberly Read. She stated Clint Morris was currently serving as the Vice Chair and explained a new Vice Chair could be elected or the Board could re-elect Clint Morris and requested nominations.

MOTION: Boardmember Smith Edmondson moved to re-elect Boardmember Morris as the Vice-Chair. Boardmember Roberts seconded the motion, which passed unanimously.

AGREEMENT FOR THE DEVELOPMENT OF LAND (ADL) BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY (AGENCY), YOUNG FAMILY RACING PROPERTIES LTD., AND YOUNG AUTOMOTIVE GROUP, LLC (DEVELOPER) – RDA RESOLUTION 22-01 – APPROXIMATELY 461 NORTH 650 WEST

Alex Jensen, Executive Director, acknowledged Spencer Young, Young Automotive Group, and his team for their attendance at the meeting. He mentioned the Young's had been a great corporate partner through the years and had continually made significant investments in the City. He concluded they had been an integral part of the City's downtown area and their projects within the City were favorable. He expressed appreciation for their contributions to the City.

Lon Crowell, Economic Development, introduced the agenda item and explained and reviewed the highlights of the proposed project:

- Construct a new 152,000 square foot headquarters building to consolidate its executive operations
- 100,000 square feet of that would be used to centralize wholesale parts
- The Executive Team, and Central Office (Accounting/Human Resources/Information Technology) would use the remaining space as well as the following:
 - Center of Excellence
 - Young Caring for Our Young

He indicated the wholesale parts operations was anticipated to net approximately \$4 million dollars a month in sales for the City and indicated the building would help facilitate future growth and investment in Layton, as well as the Northern Utah area.

He reviewed some of the obstacles associated with the project:

- Unexpected costs associated with purchasing and maintaining, in perpetuity, a storm detention basin
- Home Depot Corporate had to approve the project which incurred a delay of several months
- ¼ mile of public frontage and improvements along 500 North and King Street
- Increase in construction costs
- Costs associated with relocating parts division
- Additional costs to relocate existing executive employees and the hiring of new employees

Mr. Crowell stated the structure of the Agreement was similar to adopted agreements with JL Ventures, LLC and RC Willey pointing out the following:

- Performance based agreement
 - Defined timeline for certain benchmarks
 - Tax Increment incentive would be limited to a percentage of the actual taxes paid – based on actual assessed taxable valuation

He reviewed highlights of the Agreement:

- Agency agreed to pay \$1 million to Young Automotive for:
 - Purchase of property, including the storm detention basin – he reported this had taken place.
 - Obtaining building permit approval for a 152,000 square foot headquarters office and parts warehouse building, and payment of all building permit fees – permit had been submitted and was still in the City's approval process.
 - Up-front incentive was secured by a trust deed and promissory note, ensuring the Agency would remain whole should the project not materialize.
- Agency agreed to pay \$1 million upon completion of construction and operation within the building, allowing the City to collect the Tax Increment off of the building.
- The Agency agreed to pay a portion of the Tax Increment for employee relocation and hiring.
- He reviewed the proposed project costs.

He shared a visual illustration reflecting the proposed building concept and announced representatives from Young's were present to respond to any questions.

Mr. Jensen clarified the increment, which would be generated over time, would go back to Young's. He emphasized it was a result of their investment and emphasized generated increment from other developments wouldn't be included in the reimbursement.

Boardmember Smith Edmondson requested clarification regarding the required improvements on the map illustration and Mr. Crowell clarified the yellow dash line identified the RDA Boundary and pointed out the requirement improvements were adjacent to the roads fronting the site designated in blue.

Boardmember Roberts inquired why Young was required to purchase the storm basin and Mr. Crowell responded that was required by the seller and suggested the possibility of an agreement pertaining to the maintenance of said storm basin.

Chair Petro pointed out many of the mobile home park residents used the vacant property as a short cut and inquired about the type of proposed fencing to discourage that practice. Mr. Young responded a concrete wall would be used for fencing the property between the trailer park and believed it would deter that practice.

Mr. Jensen added the City was working with the railroad to ensure there was a safe pedestrian crossing in that area, not only for this development, but other development in the area. He mentioned the City was involved in completing additional improvements for pedestrians.

Boardmember Bloxham requested clarification regarding Governor Cox's desire to discourage or eliminate these types of incentives for development could affect similar projects in the future. Gary Crane, City Attorney, pointed out legislation was being promoted by the Governor and house leadership which would eliminate the use of these development incentives. He reported ULCT (Utah League of Cities and Towns) was negotiating aspects of the Bill and explained why this particular development situation wouldn't be negatively impacted. He pointed out the number of public improvements contributed to the justification of the incentive and a discussion followed regarding specific language.

David Price, Parks and Recreation Director, arrived at 5:53 p.m.

Mr. Jensen pointed out these types of agreements between the City and other similar development entities were performance based and shared some examples from other successful developments. Boardmember Bloxham stated he was in favor of using all available tools for these types of development projects. A discussion followed regarding the Sales Tax Revenue and other benefits to the City associated with the proposed development.

Boardmember Morris inquired how the City identified its return of investment or the break-even point for its investment for the project. Mr. Crowell explained the timing associated with the RDA receiving the Tax Increment. Boardmember Morris asked about the Sales Tax and Mr. Crowell anticipated the break-even point would occur rather quickly and Mr. Jensen added the City didn't attempt to identify that to any specificity. He pointed out other advantages associated with this development in that adjacent existing properties could be put to a higher and better use in the City's downtown area which illustrated a ripple effect of this development.

MOTION: Boardmember Roberts moved to approve RDA Resolution 22-01, the agreement for the Development of Land (ADL) between the Redevelopment Agency of Layton City (Agency), Young Family Racing Properties LTD, and Young Automotive Group, LLC (Developer). Boardmember Smith Edmondson seconded the motion. The motion passed with the following vote: **Voting AYE – Boardmembers Roberts, Smith Edmondson, Bloxham, Morris, and Thomas. Voting NO – None.**

The meeting adjourned at 6:05 p.m.

Kimberly S Read, Secretary