

ROY CITY RDA BOARD MEETING AGENDA

JANUARY 21, 2020- 5:30 PM

ROY CITY COUNCIL CHAMBERS – 5051 SOUTH 1900 WEST

A. **Welcome & Roll Call**

B. **Consent Items**

1. Approval of the December 3, 2019 Redevelopment Agency Meeting Minutes

C. **Discussion Item**

1. Review and Discussion on the Hotel Feasibility Study by HVS consulting

D. **Adjournment**

In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings should contact the Administration Department at (801) 774-1020 or by email: admin@royutah.org at least 48 hours in advance of the meeting.

Pursuant to Section 52-4-7.8 (1)(e) and (3)(B)(ii) “Electronic Meetings” of the Open and Public Meetings Law, Any Councilmember may participate in the meeting via teleconference, and such electronic means will provide the public body the ability to communicate via the teleconference. The anchor location shall be the Roy City Council Chambers located at 5051 South 1900 West, Roy Utah.

Certificate of Posting

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in a public place within the Roy City limits on this 17th day of January, 2020. A copy was also provided to the Standard Examiner and posted on the Roy City Website and Utah Public Notice Website on the 17th day of January, 2020.

Minutes of the Roy City Redevelopment Agency Meeting held in the City Council Chambers of the Roy City Municipal Building on December 3, 2019 at 6:56 p.m. Notice of the meeting was provided to the Utah Public Notice Website at least 24 hours in advance. A copy of the agenda was posted.

The following members were in attendance:

Chair Robert Dandoy
Boardmember Burrell
Boardmember Yeoman
Boardmember Saxton
Board member Paul

City Manager, Matt Andrews
City Attorney, Andy Blackburn

A. Welcome & Roll Call

Chair Dandoy called the meeting to order and noted that Boardmembers Burrell, Paul, Yeoman, and Saxton were present.

B. Action Items

Randy Sant explained that the public hearing was meant to consider whether a community reinvestment project should be adopted in an area that was highlighted in maps provided to the Council. The area, he explained, was the UTA front runner station. He added that UTA was the major property owner. Other properties had also been highlighted, he continued and there might be opportunities to the West across from the tracks. He continued by stating that the creation of community reinvestment areas (CRA) was governed by the State statute. As a result, there were specific things that the City was required to do. He mentioned that the property owners on record had been sent a notice. Notice of the meeting had also been published 14 days in advance on the City's website as well as the Utah public website. The City Recorder stated she had not received any return letters sent to property owners. Randy Sant added having met with a couple of property owners Leon and Diane Wilson as well as Terry and Joanne Anderson.

Mr. Sant further explained that when creating a particular area under the redevelopment law, the property taxes were frozen for the purpose of distribution. Any entity (like the school district) bound to receive tax funds would, but if development occurred, the increase in property tax would flow to the RDA which could use it to develop the area: improvements in infrastructure, property, demolition, etc. The taxing entities such as the school district would need to approve these uses. He added that the area was part of the Focus Roy Plan and had potential for additional economic development of the City. This, he added, could bring additional revenue to the City. He explained that while no development was being proposed at the moment, UTA had limitations and could only accept 8 TODs, which the City had already received. Councilmember Burrell asked how long the CRA would last and was told that it was a 20-year project area. The redevelopment allowed for 75% of the property tax for a 20-year period of time to be used for redevelopment.

Mr. Sant explained that the Redevelopment agency did not have the power to condemn property. He clarified that the City had no power of eminent domain and added that the RDA could not propose anything that would not then need to go through the City's development process. He further added that the City would determine standards, not the RDA.

Chair Dandoy asked whether a piece of property that had been initially excluded could then find its way back into the re-development. City Manager Andrews answered that it could but only if the RDA wished

to amend the project to allow the property back in. Chair Dandoy asked about the property owner's role in the process. City Manager Andrews explained that the process was property owner driven as the RDA was creating an incentive but could not force property owners. The RDA could help with building permits, engineering, additional infrastructure, etc. Property owners had to agree to participate, develop, and/or sell. Under the state law, he continued, the City had to create a project area to benefit from the incentive. Councilmember Burrell asked whether the RDA plan was typical. She was told that it was

Boardmember Yeoman motioned to go into a public hearing regarding the D&RG. Boardmember Burrell made a motion to adjourn the RDA Board meeting at 8:39 pm. Boardmember Paul seconded the motion. All Boardmembers voted "Aye." The motion carried.

A resident, no name give, stated his address as 2449 West 4000 South. He whether there would be a tax increase to fund the project. He also stated that he did wish to be part of the project.

Chair Dandoy clarified that no business could take over a property where they owner was not interested in participating. Boardmember Paul clarified that such a homeowner would not get any tax benefit as they had opted out. Boardmember Yeoman stated that homeowners had to agree to participate. City Manager Andrews specified that the City would not levy a tax, but instead would use existing tax revenue. Boardmember Yeoman repeated the process and pointed that the City would have incentive money to help redevelopment. She explained that the project would have an extra incentive to redevelop the area. City Manager Andrews explained the different ways in which the area could be redeveloped. He added that the taxing entities had to agree to the tax use. Boardmembers restated the process. Chair Dandoy pointed out that his home value went up \$100,000 which had caused a marked increase in his property tax. City Manager Andrews explained that homes were regularly reassessed, and as the value of homes went up, therefore so did property tax. City Manager Andrews described the process from a home owner and development company's point of view, emphasizing that this was a property owner driven process. City Manager Andrews explained that with the re-development, he had seen examples in the past of homeowners refusing to be part of the process. The question was asked if would be possible to see what the purpose for the re-development was.

Chair Dandoy stated that there was a general plan amendment which was in the process of being worked through. He added that homeowners would have a voice in the process and be a partner. He reiterated that there was no imminent domain, which gave the property owners all the power. The resident explained that his area had been recently added to the County and was now seeing a lot of changes. He wanted to know what developments were to take place. Chair Dandoy added that he could not know what the future would be but explained that all plans would be made public and left to the public to decide. He added that the question was whether the homeowner felt comfortable enough with the government to let the government be a partner in the process. He explained that the City had to be moved forward by building an infrastructure of sales tax because otherwise, the City would not be able to continue offering services without raising property taxes. He further explained that the development, with the Trax coming to the area, would be an opportunity for development.

The resident explained that he had been promised hydrants, which were not placed. He further added that no fence had been put along the walking path as he had been promised. He concluded that he did not fully trust the City. Chair Dandoy added that the resident was in the County and that Roy City had no jurisdiction on the area. He explained that he had been in his role for four years and that any area that was merely attached to the County had not received the infrastructure promised. Once the area was annexed, he continued, the County was no longer responsible: Roy City was. He continued that the property tax rates dropped, but that the County assessor increased the value of the property, therefore increasing the tax amount. He added that tax rates had actually dropped and that the City could not do anything for the area while it was part of the County. The resident explained that his taxes had gone up by \$2000 over two years.

Chair Dandoy explained that if citizens approved the tax increase, they then had to honor it. He continued that the RDA would move Roy City forward and make it a better City as the City was doing everything it could to improve. The Mayor stated that he was not asking to be trusted, but rather to have citizens engage in the process.

Zeb Wickland, 2449 West 4000, stated that he had received a package in the mail about the plan and that while he had been invited to ask questions, he felt he did not have enough information to know what to ask. He added feeling some anxiety about the project as he had had developers come to propose purchase of his property. He spoke of having heard Councilmembers state that development companies could get the properties they wanted. He added that trust took time and that he had only experienced doom and destruction from the City. He explained that he had also heard horror stories. Chair Dandoy stated that if UDOT decided to place a road in the area, they could. He added that the plan was a community reinvestment area, not a redevelopment one. The CRA had no right to invoke eminent domain. Mr. Wickland explained he was afraid of high-density housing being placed in the area.

City Manager Andrews explained that under the RDA, there were two types of project areas: one was called Urban renewal, which was the one Ogden had used, and the other was a community reinvestment area. The former would allow for eminent domain, but the latter would not: the RDA had a state law that did not allow eminent domain by rebuilding agencies.

It was noted that a developer had told residents the City would take their property. Mayor Godfrey had changed the eminent domain law in 2015. City Manager Andrews stated that for the City to take a property, it had to have a public purpose, such as a road. He continued that if the resident had no desire to sell their property, they did not have to. Concerns about the road were raised. Chair Dandoy explained that there were no road requirements at the moment. Chair Dandoy explained that Roy City did not get any taxes from Charter Schools. He added Roy owned a big piece of the airport and that Ogden did not pay Roy for this portion of the airport. The point, he explained, was also that Roy had a lot of large parks, and that this cost money to the City. He added that there was no value for Roy in buying the residents' property: taking the property would not give Roy any money. Rather, it was better to make the property a better product. The goal, he continued, was to partner with property owners. He added that the point was to make property more valuable, as this brought more funds to the City. City Manager Andrews explained that by being included in the CRA, the owners were not losing any of their rights. However, he added, there was an added value for somebody wishing to buy the property. A developer might want to buy the property, he continued, because they would then get money from the City to develop the land.

Mr. Jordan Sway - UTA

Mr. Sway commended the Boardmembers for their efforts. He explained that UTA had no immediate aim to do any joint development of properties in the area. These types of projects, he continued, demonstrated to the legislature that communities do value transit development. He explained that UTA was in full support of the RDA.

Diane Wilson, 442 South 2675 West, asked whether there was a conflict of interest with the RDA board being the same group as the City Council, as the Council wished to increase its tax base. She asked whether this might motivate the Council to consider eminent domain. She further asked whether the RDA was giving an incentive to the Council to change property zoning against property owners' desires. Chair Dandoy explained that City Councils and RDA boards were often the same group of people but that they were separate entities that functioned separately. He pointed that having the same people involved presented issues of conflict. However, he continued, the City had to move forward, not merely with an RDA board, but also with the help of the City Council, who could change the laws and move the City forward by promoting sales tax. He continued by stating that the operation of the RDA and that of the City

Council were separated by statute. He explained that land use issues were covered by Title 17 and Title 10. He explained that as a result, both entities thought of things differently.

Randy Sant stated that the RDA board was a separate entity. He continued that some cities had done this process differently, but eventually reverted to having the same people on the two entities. The process, he continued, was that when a developer wished to work with a property, they were told to go over to the City side to have the project approved. Once the City approvals were obtained, the developer went back to the RDA to see how they could benefit from tax increments. A developer might come to the RDA first to have an analysis done and help create the application. He continued that this was a good process to keep things separate. He added that if the Council liked a project, there was the possibility that as an RDA board, they would approve it.

On the topic of changing zoning, he added, that this was a possibility. He continued that this could happen whether an area was in a CRA or not. Chair Dandoy explained that the City had been trying to protect commercial zones by ensuring that residential zones did not become commercial. He mentioned that the City Council had denied a residential building in a zone that was primarily commercial. He added that assisted living facility might go in that space.

Paul Sorensen, 4176 South 2400 West, explained that the property was located on the ridge with UTA right below. He explained that many entities seemed to want that property. He explained that when he had bought the property, 15 years prior when there were only 30 homeowners with prized lots as they had great views. He had been promised at the time that there would be no two-story buildings that would block the views. UTA, he added, had gone to the property below Mr. Sorensen and had made many promises about increasing property value. He continued that there were supposed to be wildflowers and beautiful plants but that the plants had all died and that the goal post kept changing. He understood the need for a sales tax mecca, but added that if a high-density unit was built, it would ruin the view for the homeowners.

Chair Dandoy explained that the station was a transit oriented one. Unless the legislature changed the law, UTA could not add a transit as it had maxed out at eight and could not build a ninth one. He continued that the City had to define what the area would look like, that building height would be negotiable, and that he wanted residents to have a voice in the process. Public hearings would be important, he added, to understand what would be best. UTA's expectations also had to be managed, he continued.

Chair Dandoy stated he had reached out Senator Buxton who was expected to be part of the conversation. The CRA merely stated that if some agreement could be reached about what the area should look like, tax incentive funding could make this happen. Mr. Sorensen stated that the City was running out space between the Lake and Mountain. He added that he had heard arguments about taking buildings vertical. He explained that with his location, he had nothing to gain and everything to lose. Chair Dandoy explained that he would like to see residents working with the City. He explained that new developments would increase tax income. City Manager Andrews explained that the Planning Commission would notify residents at some point of the plan they had created. Chair Dandoy reiterated that he hoped the public would be involved.

Leon Wilson, 4300 South 2675 West, stated that he could see a lot of property owners were very skeptical. He explained that seeing what was being presented, he could see no downside in being included. He stated wanting to be included in the RCA. Randy Sant explained that after having looked at the tax rolls, the City had thought that the area would not be part of the development. He noted, however, that the law allowed a small change, thus including Mr. Wilson's property.

Randy Sant explained that he had had the other property owner go on the record stating they wished to be excluded from the project. Outside of this one resident, all owners wished to be included.

Boardmember Yeoman made a motion to go out of public Hearing. Boardmember Saxton seconded the motion. All Boardmembers voted “Aye.” The motion carried.

Boardmember Burrell stated that since she served on the board of a taxing entity, she would abstain from any voting.

Boardmember Saxton asked whether the Board should approve with a travel meeting as there were 12 only property owners, but more would be included in the CRA zone. He asked to be able to hold a meeting for all the property owners who would be impacted. Randy Sant stated that they might be impacted by the development, but not necessarily the CRA: the discussion would need to be started during the development process. He added that the project area was an incentive tool and that 10 property owners had been notified. Chair Dandoy added that there was a possibility of workshops, town hall meetings and such to get the message out.

Boardmember Yeoman explained that there was an East and West side since the track was dividing the area. She explained having been part of the Planning Committee when UTA had made its proposal. She added that UTA had promised what the prior resident had described. She explained that this made her not quite trusting yet. She added that things should now just be adjusted for the East side. She explained that some developers had expressed interest but only once the rail station was underway.

Randy Sant explained that the CRA could amend the boundaries when they wished. Boardmember Paul pointed out that if the boundaries were changed at the moment, some property owners would assume they were part of the redevelopment areas when they were not. Randy Sant explained that there could be a 30-day protest period: homeowners could be sent letters explaining the process to be excluded from the zone. He continued a notice could be put in the magazine. Chair Dandoy explained that if the vote was to allow the CRA, it might give homeowners more opportunity to sell at a higher value.

Randy Sant explained that once UTA moved forward with the station, redevelopers would come talk to nearby properties and the RCA helped this opportunity. He added that the RCA had to honor people who did not want to be part of the RCA area. He recommended keeping the area as it was, with the exception of the homeowner who had asked not to be involved. He explained that the resolution should be approved with Section 2 giving the legal description and the removal of the one property that the homeowner had requested.

Boardmember Burrell asked whether once approved, the area would then be in the 30-day waiting period for property owners to ask to be removed. Randy Sant explained that the point was in part to see what type of budget would be needed and approved. He continued that it would be difficult to ask for more funds later and continued that nothing would be permanent until the taxing entities agreed to participate. He continued that an accurate budget was also necessary and that an entity also had to come in and propose a development project. He explained that he felt confident about the current budget as it had been created by looking at the different needs of the area. In this case, he added, the budget could be taken to the tax entities for approval and amended if changes were necessary.

Chair Dandoy stated that solidifying the information might have to do with any changes the City Council might approve. Randy Sant stated that the City was ready to have the budget approved by the taxing entities. Chair Dandoy continued that within two to three months, a budget approval would be sought. Boardmember Saxton stated that the Board knew that the property owners had been approached by developers. He continued that the project would move quickly. Boardmember Yeoman stated not being sure whether these encounters with developers had happened recently. Randy Sant stated that a development was being planned on the South end but could not take place until a road were built. Property

owners had been told that this process would allow the City to condemn some properties, which was inaccurate. He clarified that no tax increment had been promised in this situation and that the focus for this project was the UTA parcel. Boardmember Saxton stated that the Roy project could not look like the Layton and Clearfield project. Boardmember Paul stated that this could be voted against when it was presented to the Council.

Randy Sant stated that that City Council would have a great opportunity to allow in the area what they thought was best for the City. He continued that this could be done without the CRA but that the two processes had to be separated: one belonged to the City, the other to the RDA. The two-step process, he explained, would allow the Council to decide on things like density, types of materials, landscaping etc. If a developer came and presented a project, it would have to follow the rules set.

Chair Dandoy explained that a CRA approval process would take months. He continued that the decision on code would become law the moment the RCA was approved. He mentioned that this was an effort to get ahead of this process and get all the tools in place so the opportunity would be there once the Council decided what they wished the properties to look like. Randy Sant stated that no development proposal would be entertained until the process was in place. Chair Dandoy stated that a given 10-acre parcel part way down a trail was owned by an Arizona company. Two developers had suggested townhouses for the location. In both cases, to make the project successful, the developers needed to find a solution for the road. The first developer had a solution, but the Council, at the time, had not felt the solution was in the best interest of the City. The City Council, he continued, was in charge of deciding what they wished the area to look like.

Councilmember Paul motioned to approve resolution 19-9 approving the DRG community reinvestment project with amendment to eliminate aforementioned properties. In the absence of a second, the motion died.

Randy Sant explained that without a project area created, when the RDA was ready for a conversation on this particular area, it would let the Staff know. Unless the boundaries were changed, he continued, there would not need to be another public hearing. He stated needing to check with the attorney on how long the statute of limitation was to bring back the project. He pointed that tabling would not add any time for the Board. Chair Dandoy noted that he wanted to make sure that failure to get the motion seconded meant that the motion was dead. He asked what the process would be to restart the project. Randy Sant asked the Board why they did not wish to adopt the resolution. Boardmember Yeoman stated she wished to first look at issues on the East Side. She added that she was not sure that it was in the City's best interest to work on the RCA at the moment, but rather that the City should deal with the UTA property. Boardmember Saxton explained that he did not wish to see housing unit complex in this area. Creating the project area, he continued, and, based on his experience, he felt this would create this issue. Boardmember Paul stated that in this case, Boardmember Saxton could vote against the zoning when it came up to the Council, but that he should not vote against the CRA. By not taking action, Randy Sant stated, the plan had not been adopted and was back to the beginning to the process. He mentioned he would have to check with counsel. He noted that another public hearing might be needed.

Councilmember Yeoman Motioned to Adjourn the City Council meeting at 8:39 p.m. Councilmember Saxton seconded the motion. All Councilmembers voted "Aye." The motion carried.