



ROY CITY
Roy City Council Meeting Agenda
June 28, 2022 – 5:30 p.m.
Roy City Council Chambers
5051 South 1900 West

Minutes of the Roy City Redevelopment Agency Board Meeting held in the City Council Chambers of the Roy City Municipal Building on June 28, 2022, at 5:30 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:

Chairman Pro-tem Joe Paul
Board Member Sophie Paul
Board Member Wilson
Board Member Scadden

City Attorney, Andy Blackburn

Excused: Chairman Dandoy and Board Member Jackson

Also present were: City Manager, Matt Andrews; City Recorder, Brittany Fowers, Randy Sant, and Shauna Havey

A. Welcome & Roll Call

Chairman Pro-tem Joe Paul welcomed those in attendance and noted Board Member Sophie Paul, Wilson, and Scadden were present; Chairman Dandoy and Board Member Jackson were excused.

Board Member Scadden made a motion to nominate Board Member Joe Paul as Chairman Pro-tem in Chairman Dandoy's absence. Board Member Sophie Paul seconded the motion, all members voted "Aye" and motion carried.

B. Action Items

Public Hearing – Consideration on the adoption of the amended Project Area Plan and Budget for the 1900 Southeast Community Reinvestment Project Area.

Chairman Pro-tem Joe Paul explained the item, and asked if there were any comments before the public hearing began.

Randy Sant presented a map of the project area to orient those in attendance to the location. He recalled the 1900 Southeast project area had been originally created in 2019, and initially only extended from 5600 to the east side of 1900 and had not included the Harmon's property. He stated that earlier that year, the State legislature had put House Bill 151 into place, which stated no City had the right to provide any kind of incentive to developments related to retail. Mr. Sant noted they did not know what would happen with UDOT in terms of the road widening of 5600, but said they had identified the area on the corner of that road as a possible future development, and specifically, he anticipated a development might come along who would need some kind of incentive for a retail space. He commented the City would want to be able to work with such developers when they came along. He reported they had approached the Council in May of that year with a request to hold a public hearing about the possibility of expanding the 1900 project area to include the property which ran along 1900 on the east side. He clarified they did not need the entire area, and only needed the area from 5619 up to the Aaron Jewelers, which was about 5.25



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acres in total. He believed that would give them enough property space to handle the proposals the City had received so far, which included a hotel, some retailers, as well as office spaces.

Mr. Sant further stated the public hearing would be to address the addition to the project area. He specified this would not change the budget, and said this would only change the legal description. He added they had noted the property owners who lived in the affected area. He said he had also had a chance to talk with the owners, and reported the owners had expressed support of the changes. He clarified this would not give the City the power of eminent domain, and said they would not have the ability to condemn anybody's property. He also clarified they did not have a project designated for the space, and explained this was a protective measure for the future. He said the property owners could choose to be involved with the project as well, and they would just have to reach out to the City if they were interested. He reiterated all they were doing that evening was adding 5.25 acres to the already existing project area.

Chairman Pro-tem Joe Paul asked for a motion to enter a public hearing. Board Member Scadden motioned to enter a public hearing. Board Member Sophie Paul seconded the motion. All Board Members voted "Aye". The motion carried.

There were no public comments, and Mayor Pro-tem Joe Paul closed the hearing.

Randy Sant spoke on the amended Project Area Plan. No public comment was made.

Mr. Sant said they needed to adopt the plan by resolution of the RDA. He explained the second resolution was to accept the budget, which he explained was the same as the budget which had been accepted in 2019.

Chairman Pro-tem Joe Paul asked for a motion to close the public hearing. Board Member Sophie Paul motioned to close the public hearing. Board Member Scadden seconded the motion. All Board Members voted "Aye". The motion carried.

1. Consideration of Resolution 22-6, A resolution adopting the amended plan for the 1900 Southeast Community Reinvestment Project Area.

Board Member Wilson motioned to approve Resolution 22-6 adopting the amended plan for the 1900 Southeast Community Reinvestment Project Area. Board Member Scadden seconded the motion. A roll call vote was taken, all Board Members voted "Aye". The motion carried.

2. Consideration of Resolution 22-7, A resolution adopting the amended budget for the 1900 Southeast Community Reinvestment Project Area.

Board Member Scadden motioned to approve Resolution 22-7 adopting the amended budget for the 1900 Southeast Community Reinvestment Project Area. Board Member Wilson seconded the motion. A roll call vote was taken, all Board Members voted "Aye". The motion carried.



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Board Member Wilson asked Mr. Sant if he could review how funding worked for the proposed Economic Development Director position, and how that worked in with the RDA budget, as well as what the limitations were. Mr. Sant replied there were two existing project areas, both of which expired in 2027. He said the RDA budget which had been approved the week prior included the increment and expenditures for that, and said most of the increment they got would expire in three years. He said he did not know what the funding mechanisms for the Economic Development Director position were, but said they would expire in 2027 if they were RDA-related. He also went over the different project areas, and said each of them had a 3% administrative fee built into their budgets, which flowed to the RDA. He explained as long as the tax amenities concurred with their budget, they would be able to have that 3% administration fee, which would be about \$35,000 a year. He added if the increment increased, the administration fee would also increase. Board Member Wilson said there was about \$120,000 that would come out of the RDA budget for the Economic Development Director position, and she clarified they would have that for at least three years. Mr. Sant said that was correct. He elaborated the \$265,000 per year they received would expire in three years, but said they could apply for an extension of the projects. He discussed the details of the application process briefly, and commented applications for extensions were often unsuccessful.

Board Member Wilson asked if the funding that would go towards the Economic Development Director could be applied to anything else, and Mr. Sant explained the RDA had a fund balance, but those funds could not be used for ongoing projects. He said the RDA could chose to appropriate that money for things like the purchase of land, and he elaborated if they later chose to sell that land, they could use the money from the sale however they wanted to at that point, including using it for future administration. He said they could also use the money in the fund balance however they wanted to after 2026. He summarized the fund balance was appropriated by the RDA board, and said they had already identified they wanted to use those funds to help purchase property which might become available from UDOT. Mr. Sant said their current fund balance was about \$1.2 to 1.5 Million dollars. He also explained that per RDA law, they could use their tax increment in almost any way they saw fit, so it could be used to buy land or administrative costs. However, he said it could not be used to build or repair a fire station, police station, or City Hall. Mr. Sant explained that currently, the administrative fee in the budget was paid by the increment, and they only used the fund balance in the event the increment did not come in as expected. He also noted the City Council did not control the RDA budget, and it was only controlled by the RDA board. Board Member Wilson clarified once the money was in the administrative area, it did not automatically transfer over into the General Fund. Mr. Sant repeated the money stayed in the RDA fund balance until it was used for a specific purpose by the RDA. He then explained that previously, the City Council had passed a resolution which stated the RDA managed the economic development of Roy City, so they could justify using some of the tax increment for things outside of an RDA project area. He summarized they had about three years to utilize the \$265,000 however they wanted.

City Manager Matt Andrews also discussed budgets were very fluid, and they could change the budget throughout the year. City Manager Andrews said they could adjust the budget of the Economic Development Director position, and re-determine how much of the position came out of the RDA budget rather than the City budget as needed. He lastly noted it was at-will employment, so it could be terminated at any point as well. Mr. Sant added at any time, they could transfer the position fully to the City, so it did not come out of the RDA budget at all.

Board Member Wilson summarized they had \$265,000 per year for the next three years, and they could decide if they wanted to use that money for the Economic Development Director position or for the purchase of land. Mr. Sant said that was correct, and if they wanted to amend their budget, they would



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need to hold a public hearing. He also noted they could reallocate funds, but they could not exceed their budget. Board Member Wilson asked what they could do if they wanted to purchase land, but did not have enough money in their fund balance. Mr. Sant discussed the RDA had the right to accept donations, make bonds, and loan money as they needed. He imagined in the case they needed money for land, they would first go to the City and ask for a loan, and the next step would be to go out for bond. However, he said going out for bond could be very expensive because of the insurance that was needed. He said for big projects, the City could take out the bond on the RDA's behalf, and then the RDA paid the City back.

C. Adjournment

Board Member Scadden motioned to adjourn. Board Member Sophie Paul seconded the motion. All Board members voted "aye". The board adjourned at 6:03 p.m.