



ROY CITY
Roy City RDA Board Meeting
May 2, 2023 – 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 May 2, 2023, 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 also posted to the Roy City Website.

The following members were in attendance:

Chairman Robert Dandoy
Board member Jackson
Board member Sophie Paul
Board member Wilson
Board member Scadden
Board member Joe Paul

City Manager, Matt Andrews
City Attorney, Matt Wilson
City Recorder, Brittany Fowers

Also present were: Kevin Homer and Glenda Moore

A. Welcome & Roll Call

Chairman Dandoy welcomed those in attendance and noted Board members Jackson, Sophie Paul, Wilson, Scadden, and Joe Paul were present.

B. Consent Items

(These items are considered by the City Council to be routine and will be enacted by a single motion. If discussion is desired on any particular consent item, that item may be removed from the consent agenda and considered separately.)

1. Approval of the September 20, 2022, and January 17, 2023, Roy City RDA Board Meeting Minutes

Board member Wilson motioned to approve the January 17, 2023, and to table the September 20, 2022, minutes for further review. Board member Sophie Paul seconded the motion. All Board members voted “aye”. The motion carried.

C. Presentations

1. Proposed FY 2024 RDA Budget

This item was skipped.

D. Action Items

1. Consideration of Resolution 23-4 Adopting interlocal agreements with all taxing entities within the Amended 1900 Southeast Community Reinvestment Area.

Assistant City Manager Flint led this portion of the meeting, and he introduced Josh Woodbury and Rob Sant to speak as well. Mr. Woodbury noted the Woodbury corporation has owned property in the area for decades, and acknowledged they were looking to reinvest in a shopping center on this property to better impact the community. Mr. Woodbury said they were looking to develop the property in phases starting



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with the Southern side. Mr. Woodbury added they were looking to the RDA to get a stronger sense of requirements and parameters. Mr. Woodbury said the initial plan called for height above 60 feet and concrete construction, and he continued to say they had since looked at the “feasibility gap” and assessed different scenarios from a “size and scope standpoint” to help bring down costs. Mr. Woodbury reported they were now looking at a 55 foot design with fewer units and less concrete. Mr. Woodbury said it would be 260 apartment units with largely commercial use, and indicated the front area would be designed for community uses.

Councilmember Joe Paul clarified that the building would be five stories. Mr. Woodbury clarified that yes, the building would be five stories, with each floor being about ten feet and the ground floor being 15 feet. Councilmember Jackson asked if the property would extend to the grocery store. Mr. Woodbury replied they would be tearing that part down.

Mr. Woodbury emphasized they would invest in renovating the existing exteriors as well. Councilmember Scadden asked what they guessed the market rate would be for the apartments. Mr. Woodbury expressed they wanted to do more one bedrooms and studio apartments, which would put the rate at two dollars per square foot. Councilmember Jackson asked how long they anticipated the project would take. Mr. Woodbury said two years. Councilmember Sophie Paul asked if there would be a green space, to which Mr. Woodbury said they would provide a courtyard. Councilmember Sophie Paul asked if they were trying to add a restaurant, and Mr. Woodbury expressed that they were.

Mr. Rob Sant came forward next. Mr. Sant shared he had worked for the public and private sector since 2011, and said he has worked in economic development for Sandy City for the last year and has his own consulting firm on the side. Mr. Sant explained there were no class A apartment complexes, although they have class A expenses. Mr. Sant spoke about the project as a whole along with the uses and process.

Mr. Sant acknowledged they revised the map to create this project in September. Mr. Sant then went through Utah's Code 17C in which they discussed the project process. Mr. Sant noted they have changed this code every year to better reinvest in the community. Mr. Sant said these used to be known as RDAs from 1989 to 1993. Mr. Sant explained they have since worked on creating better transparency, to which end they had created EDAs. Mr. Sant added they created community development areas in 2006 which had a catch all use, and said these areas are now known as CRAs. Mr. Sant stressed that there would be no tax increase, though they would be developing the area from a percentage of taxes. Mr. Sant stated they were there today to negotiate where this will come from.

Mr. Sant said the lot was 67.52 acres, located just South of Riverdale Road. Mr. Sant announced it would be largely commercial and be valued at \$49.2 million dollars with a property tax of a little under \$500,000. Mr. Sant said they had been planning on investing a lot of private capital, though anticipated this area will create several jobs. Mr. Sant felt this would also be a great revitalization tool.

Mr. Sant shared he had worked with Assistant City Manager Flint to create a budget for the area. Mr. Sant said they anticipated 847 total units, 311,000 square feet of commercial, 121,000 square feet of office space, and a total value of \$232 million dollars. Mr. Sant the tax would be \$49 Million, with a ten year projection of \$281 Million dollars. Mr. Sant added they would set up meetings with the City, the County, and the School District to determine the best way to move forward, and the other goal of today was getting permission to approach the County and School District and begin negotiations.

Mr. Sant said they would consider all requested changes. Mr. Sant added taxes would be \$484,000, and



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come to \$73,000 a year. Mr. Sant went through a chart which color coded taxes and fees.

Mr. Sant said all CRAs had a required 10% allotment for affordable housing, though he noted this requirement was broad and could be a partnership with the school or even the local government. Mr. Sant said some of these numbers need to be explored. Mr. Sant expressed a big question revolved around parking structures and said there could be approximately \$36 Million dollars worth of costs associated with parking structures. Mr. Sant said market condition costs relating to infrastructure improvements and upsizing would also be something to consider. Mr. Sant added developments were on hold until they had considered these factors and could yield further costs.

Councilmember Wilson asked about “additional assumptions” listed in the packet. Mr. Sant said primary residencies were taxed at 55% of their value and this applies to all dwelling types. Mr. Sant said these numbers are based on self reports, and some of this is based on usage. Councilmember Wilson clarified this was about accounting for taxes ahead of time. Mr. Sant confirmed she was correct, and added that inflation plays a role as well.

Councilmember Wilson then asked if the building value changed or not. Mr. Sant replied this would also be dependent on the tax rate. Councilmember Wilson asked about a line in the packet referring to a “discount rate of 5%,” and Mr. Sant explained this information was most relevant to the developer and served as another projection for future worth. Councilmember Wilson asked if that rate referred to a potential depreciation value for the building. Mr. Sant replied it was similar to investing.

Councilmember Wilson inquired about commercial sales per square foot, and asked if this applied per resident. Mr. Sant said there were two pieces of sales tax, and this stemmed from an assessment of gross tax and square footage from all businesses. Mr. Sant presented the mathematical formula from which they determined sales tax.

Councilmember Wilson asked about a franchise tax. Mr. Sant said this would derive from average usage of each unit. Councilmember Wilson asked Mr. Sant to expand upon the incremental expenses of Roy City’s development. Mr. Sant said there would be incremental growth in revenue alongside growth in expenses. Mr. Sant expressed they were confident in their revenue projections, but emphasized it was difficult to project expenditures. Mr. Sant said they tried to account for capital expenditures in roads and other construction costs.

Councilmember Wilson then asked about the sales tax increases and where these projections came from. Mr. Sant said they were assuming a growth rate for sales tax, which he clarified was fairly normal. Councilmember Wilson asked about the project area acres versus developable acres, to which Mr. Sant discussed they looked at the whole footprint of the development which included neighboring properties that are unused or underutilized. Mr. Sant gave the empty storage units in the neighboring lot as an example.

Councilmember Wilson asked about absorption rates. Mr. Sant said they took the developable square feet and divided it by costs. Mr. Sant said this rate allowed them to determine that downtown will be developed in the next eight to ten years. Mr. Sant said these were also projections based on available data, and emphasized they were only broad projections based on things that were fundamentally unknown.

Councilmember Wilson asked about the budget analysis listed at the end and the taxable rates listed. Mr. Sant said this was based on current parcel information in the City, some of which did not have property



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taxes listed. Councilmember Wilson asked about the affordable housing requirement and if they will have moderate income housing as well. Mr. Woodbury responded they will on both counts, and said the agency would come up with these rates. Mr. Sant felt these benefits had a good impact on the community and were also good for the developer. Mr. Sant stated they will eventually negotiate a development agreement, which will include City requests for the developers as they pertained to both Code and affordable housing requirements. Mr. Sant this would also be the point at which they would assess tax projections and offset costs.

Mayor Dandoy moved to approve resolution 23-4 to adopt interlocal agreements with all taxing entities within the Amended 1900 Southeast Community Reinvestment Area. A roll call vote followed in which the motion was approved unanimously.

Board member Joe Paul motioned to adjourn. Board member Scadden seconded the motion. All Board members voted “aye”. The board adjourned at 8:46 p.m.