MINUTES OF THE
VINEYARD REDEVELOPMENT AGENCY BOARD
June 8, 2016 – 7:45PM

PRESENT	**ABSENT**
Chair Randy Farnworth	
Boardmember Tyce Flake	
Boardmember Julie Fullmer	
Boardmember Dale Goodman	
Boardmember Nate Riley	

Staff in Attendance: Public Works Director/Engineer Don Overson, Town Attorney David Church, Town Planner/Economic Development Director Morgan Brim, Finance Director Jacob McHargue, Town Clerk/Recorder Pamela Spencer.

Others Present: Gerald Anderson, Stewart Park, and Jeff Walker with Anderson Geneva.

The Vineyard Town Redevelopment Agency (RDA) held a board meeting on June 8, 2016 starting at 7:45PM in the Vineyard Town Hall.

Regular Session - The meeting was called to order at 7:45PM.

CONSENT ITEMS:

a) Approval of the May 11, 2016 meeting minutes
b) Approval of the May 25, 2016 meeting minutes

Chair Farnworth called for a motion.

Motion: BOARDMEMBER RILEY MOVED TO APPROVE THE CONSENT ITEMS. BOARDMEMBER GOODMAN SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED UNANIMOUSLY.

BUSINESS ITEMS:

2.1 PUBLIC HEARING – <u>Final 2016-2017 Fiscal Year Budget</u>

Finance Director Jacob McHargue will present the final 2016-2017 fiscal year budget. The RDA Board will hear public comment regarding the final budget. The RDA Board will possibly act to approve the final budget by resolution. The tentative budget was discussed at the May 25, 2016 RDA meeting.

Chair Farnworth turned the time over to Jacob McHargue who suggested that the board continue the public hearing until the next RDA meeting.

Chair Farnworth called for a motion.

Motion: BOARDMEMBER FULLMER MOVED TO CONTINUE 2.1 UNTIL THE NEXT RDA MEETING. BOARDMEMBER FLAKE SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED UNANIMOUSLY.

2.2 DISCUSSION AND ACTION – **Remediation Funding Request**

Anderson Geneva LLC is requesting funds from the RDA for the environmental remediation of the property located on the northwest corner of Geneva Road and The Vineyard Connector. The RDA Board will take appropriate action. (This item was continued from the April 27, 2016 RDA meeting, the May 4, 2016 RDA Work Session, and the May 11, 2016 RDA meeting.)

Chair Farnworth gave a background on the request sent on May 6, 2016. He mentioned that there was a meeting with the Mr. McHargue, Cody Deeter with Lewis Young Robertson & Burningham, Stewart Park, and Jeff Walker with Anderson Development to understand what the letter needed to say. He said the results were that they needed to commit the housing fund to remediation. He added that they needed to have an additional amount for remediation and thought that it was a percentage.

Gerald Anderson with Anderson Development explained the application, which defined the cleanup projects and their costs. He added that before they build the Contaminated Area Management Unit (CAMU) all they could do was pile the impacted materials into Temporary Storage Areas (TOS). He said that the Department of Environmental Quality (DEQ) was requiring them to move the piles. He mentioned that they had been working on the design and engineering for about 2.5 years and that it would take an additional three (3) years to complete the actual CAMU.

Chair Farnworth explained that they gave the town attorney David Church direction to write the letter. Mr. Walker stated that with the legislation they could only use the low-income housing funds for remediation purposes. He said that they were requesting a letter to make sure they understood that the low-income housing and the application were two (2) separate issues. Mr. Church explained that he was given instructions that they wanted a letter for the CAMU. He said that he drafted a letter with two (2) alternative last paragraphs. He mentioned that he included the commitment from the housing fund. He felt that the letter was to be shown to someone else. Mr. Anderson replied that the letter would be sent to DEQ and US Steel.

Mr. Church read the letter. He said that the second to last paragraph stated " As you can see from the above it is the intent of the RDA to provide funding toward environmental remediation projects. This funding will include some or all of the tax increment that was previously committed to affordable housing now that the legislature has freed the RDA from that obligation." The last paragraph read, "The proposed CAMU, assuming it is permitted by the State of Utah, appears to be a project that will warrant some RDA participation. When the plans for the CAMU are far enough along that you can provide to the RDA Board (i) the detailed scope of the proposed remediation work, (ii) the expected total cost of the remediation work, (iii) the monetary contributions to remediation work by yourself as the property owners, U.S. Steel and any other interested parties, and (iv) the expected date of completion of all work, then the RDA will be willing to commit to funding to see that this CAMU project can come to fruition."

Mr. Church said that the alternative paragraph was committing them to a set dollar amount for the CAMU.
There was discussion on the cost of the CAMU and the land value. Mr. Anderson stated that they were not asking any land value from the RDA, that it was between Anderson and US Steel.

Mr. Church requested that the board to choose a paragraph. He felt that the best public policy was that the remediation came first. He added that if it was spent on remediation then could not be spent on infrastructure and incentives.

Boardmember Riley understood that they would commit 100 percent of the low-income funds to remediation. He stated that there were other projects for the other tax increment. He suggested that they not say that were committing all of the funds. Mr. Church replied that the housing funds could be used for housing or cleanup. He explained that they adopted a housing plan and part of that was to be used for infrastructure for affordable housing. He said that they had done that in part with Waters Edge so they could take some of the funds for cleanup. He felt that a commitment to spend the money on remediation was appropriate.

Chair Farnworth felt that they had done their due diligence on with the housing fund. He mentioned that they could take a percent of the budget line item for cleanup. Mr. Anderson explained that it was discussed that 1/3 went to environmental, 1/3 to infrastructure, and 1/3 to incentives. He stated that when the RDA was approved there was an additional increment that went to affordable housing. He said that 25 percent went to administration and affordable housing and that the other 75 percent was undefined. He explained that when they got the legislation passed they no longer had to spend that amount on affordable housing. He felt they had captured the RDA another increment and thought that it was reasonable for them to committee to remediation.

Chair Farnworth asked the board if they felt it was a good way to spend of the money. Council agreed.

Mr. Anderson mentioned that they would come before the board soon in regards to the west side cleanup (the Town Center area). He said that they would be asking for around $5 million from the RDA. He stated that they were only asking for a commitment to be pay, but no commitment as to when and how it would be paid. He said that they would come back to the board with options on where the money would come from.

Chair Farnworth explained that the board and staff were trying to see what amount they were really asking for. He said that they felt the commitment of the housing fund was reasonable. He asked if there was a percentage or an amount that they wanted committed from the remaining fund. Mr. Anderson said that at this point the low-income money of $60 million might be enough to do the remediation. He went over the amounts they were asking for. He felt that the CAMU and ground water would be covered by the 20 percent from the low-income housing fund.

Chair Farnworth went over the wording in the letter. Mr. Church replied that the state had not issued a permit so he included it in the letter, that if they issued the permit then they were willing to help fund it.

Stewart Park with Anderson Development mentioned that they were grandfathered with DEQ for the CAMU. Mr. Church said that until it was permitted and designed the cost could change. He said the RDA was primarily for cleanup and the only issue was the landowner participation and at what level. He explained that in the discussion to set up the RDA that US Steel and Anderson Geneva had an obligation to clean up the property to a certain level. He said that the RDA was created to make sure that it happened and that it was cleaned up over and above that level. He said that the process was that Anderson apply, the RDA agreed that it was cleanup, Anderson would say how much it would cost, how much US Steel would pay, Anderson could afford so much, and ask if the RDA could make up the difference. He said that he treated the application like that. His question was what Anderson was putting in. He said that if they were putting in zero then say zero, if the land, then say the land, if they were putting in $10,000,000 then say it. If they were loaning the RDA the money, then say it.

Mr. Church said that the CAMU was problematic because when it is all done it would be left there and permanent. He wished that the RDA could fund the removal offsite of the contaminants. Mr. Park said that it would take the full RDA budget to move the contaminants offsite. Mr. Church stated that the CAMU was the next step and the fact that it would benefit Anderson was not their concern. He said that the best use of the taxpayer funds was cleanup. He said that if it was cleaned up there would be a market for the ground.

Mr. Church asked the RDA what they wanted to commit to in the letter. Chair Farnworth felt that they were already committing the housing fund. Mr. Church said that the question was funding the CAMU. Chair Farnworth asked what was wrong with committing the $19.2 million for the CAMU. Boardmember Riley felt that it should include the ground water for a total of $24 million.

Boardmember Goodman asked when Andersons anticipated coming back to the board for clean up on the Town Center site. Mr. Anderson replied that they might come back in July. He mentioned that they met with DEQ and would be meeting with US Steel. He said that they needed to clean up the west side now. He wanted to break up the west side cleanup from the CAMU. He thought that it would cost around $6 million. He mentioned that they did not know how much concrete they would find. Mr. Walker said that they were going to ask US Steel for more money.

Mr. Church said that he contacted DEQ and invited them to come to a meeting to explain the process. DEQ told them that when the CAMU went through permitting there would be a public hearing on it.

Chair Farnworth called for a motion.

Motion: BOARDMEMBER FLAKE MOVED TO APPROVE $24.2 MILLION FOR THE GROUND WATER AND CAMU AND GIVE THE ATTORNEY THE AUTHORITY TO AMEND THE LETTER PREVIOUSLY STATED, WHICH INCLUDES THE OLENE WALKER FUND ALLOCATION AND THE DIRECT NUMBER OF MONEYS. BOARDMEMBER GOODMAN SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED UNANIMOUSLY.

Mr. Anderson asked for direction on the Walmart incentive. Chair Farnworth asked for comments from the board. Boardmember Riley felt that they should allow the new Economic Development Director Morgan Brim to be involved. Chair Farnworth suggested that they have Mr. Brim, Mr. McHargue, and Boardmember Goodman be involved.

ITEMS REQUESTED FOR THE NEXT AGENDA – no items were submitted**.**

Chair Farnworth asked Mr. Church if they needed to include a public comment section in the RDA meeting. Mr. Church replied that they did not have to have public comment on any agenda. Chair Farnworth asked the board if they wanted to list a public comment section on the agenda. The board agreed not include it.

ADJOURNMENT

Chair Farnworth called for a motion.

Motion: BOARDMEMBER FLAKE MOVED TO ADJOURN THE MEETING AT 8:25PM. BOARDMEMBER FULLMER SECONDED THE MOTION. ALL WERE IN FAVOR. MOTION CARRIED UNANIMOUSLY.

MINUTES APPROVED ON: June 22, 2016

CERTIFIED CORRECT BY: /s/ Pamela Spencer
P. SPENCER, TOWN CLERK/RECORDER