MINUTES OF A MEETING OF THE VINEYARD
REDEVELOPMENT AGENCY BOARD
240 East Gammon Road, Vineyard, Utah
September 27, 2017 – 6:00 PM

Present	**Absent**
Chair Randy Farnworth	
Boardmember Tyce Flake	
Boardmember Julie Fullmer	
Boardmember Dale Goodman	
Boardmember Nate Riley	

Staff Present: City Manager/Finance Director Jacob McHargue, Public Works Director/Engineer Don Overson, Economic Development Director Morgan Brim, Building Official George Reid, Sergeant Holden Rockwell with the Utah County Sheriff's Department, Water/Sewer Operator Sullivan Love, Records Management Assistant Kelly Kloepfer

Others Present: Residents Shawn Herring, Teresa Goodman, David Lauret, and Kyle Stucki; Jeff Gochnour with Cottonwood Partners

7:16 PM RDA Meeting

Chair Farnworth opened the RDA meeting at 7:16 PM.

CONSENT AGENDA:
No items were submitted.

ITEMS REQUESTED FOR FUTURE AGENDAS
No items were submitted.

BUSINESS ITEMS:
3.1 DISCUSSION AND ACTION – State Infrastructure Bank Loan
City Manager/Finance Director Jacob McHargue will present an update for the State Infrastructure Bank Loan. The Board will take appropriate action.

Mr. McHargue explained the history of the loan, authorized by the Transportation Commission in 2013. He pointed out that the money was initially approved to remove the rail spur, and was not approved for any other project. On September 15, 2017 Mr. McHargue and Chair Farnworth met with the Transportation Commission, which approved some loan modifications. These modifications allowed for flexibility, which would allow the board to spend the money on the following projects:
- Center Street overpass
- FrontRunner Station
- UP Rail spur
- Vineyard Connector extension

He further explained that they extended the repayment term to 10 years, ending in 2027, and lowered the interest rate from 3% to 2.91%.

Mr. McHargue said that staff had evaluated each of the projects and he presented this information to the board.

Center Street Overpass

Cost Estimate	Timeline	Benefit
$8 million	12-24 months	Additional access point Connects trail network Public safety High priority for current residents Small – medium economic development value

Boardmember Flake asked about the timeline. Mr. McHargue clarified that they believed they could start in 12 months and then the construction would be a 12-month project.

FrontRunner Station

Mr. McHargue told the board that he and Mr. Overson met with Steve Meyer with UTA, who was pleased with the loan modification since they did not have the funding for the station. UTA was doing a study on operational costs that would be done in January. He gave the details on the construction plan for the station.

Cost Estimate	Timeline	Benefit
$5 million total	12-18 months	Large economic development value Additional mode of transportation Supports goal of multi-modal transportation system High priority for current and future residents

Boardmember Riley said that this was an opportunity to do something different from any other train station. He asked Mr. McHargue, since UTA did not have the funding, if the city was putting in a station that would be just like every other station. He also asked how it would be integrated into the Town Center design plan.

Mr. McHargue replied that this was Phase One, which would install the infrastructure, the platform, and the parking lot, with the intent of a private-public partnership working to build parking structures later.

Mr. Overson explained that the Oil Reclamation Area (ORA) materials were approved to be used to raise the train station site to the same elevation as the track. He described how the parking lots would be designed so that they could later build parking structures in their place and phase into them as use of the intermodal hub increased. He emphasized that the vision was to create something that could grow and build, and so the city needed to look at the future while they built in the present.

UP Rail Spur

Cost Estimate	Timeline	Benefit
$17 million	12-24 months	Access to Geneva Road
		Large economic development value
		Preserve UTA light rail corridor

Boardmember Riley asked about the cost breakdown, and Boardmember Fullmer asked about the timeline. The board and staff discussed the cost breakdown, timeline, and existing contract for the rail spur project. Mr. McHargue indicated that Union Pacific Railroad was very motivated to get this done. Mr. Overson explained the timeline to the board, that once the new contract was signed, the rail spur project would have to be finished in 12-24 months.

Mr. Church detailed his communications with UP, including that the city had been waiting for the modified agreement from UP for some time, and added that UP wanted very much for this to go forward.

Mr. Church said that if the board decided to use the funds for something other than the rail spur, then the city would not get enough money out of the RDA to make the deal with UP again, unless UP were to come way down in price. He reminded the board that of the $17 million, $7 million went to UP for land purchase, and $3-4 million for the city to build them a new spur.

Another concern he stressed was that there were others who were planning on Vineyard removing the rail spur, such as Orem, UDOT, and The Forge landowners. He said that if the board decided not to do it people would come out of the woodwork, and that it was a very important decision. He added that UP was the one who wanted to redo the contract and who was out of compliance. He told the board that they could get out of the contract but that there would be pushback.

Mr. McHargue commented that he had reached out to the other entities who had a stake in the rail spur removal. They all gave the same response, which was that they though it was important but they did not have any money for it. He informed the entities that the project was getting too expensive and that the city was considering walking away, and they were given the opportunity to participate.

Boardmember Fullmer asked about what UVU said about the money they got for the FrontRunner station overpass. Mr. McHargue replied that it was a touchy subject.

Vineyard Connector Extension

Cost Estimate	Timeline	Benefit
$6 million	24-36 months	Better access as Town Center develops
		Large economic development value

Mr. McHargue asked for questions.

Chair Farnworth asked him to address the UTA payback of $5 million. Mr. McHargue explained that if the board decided to build the FrontRunner station, that the $5 million would be considered a loan to UTA, that they would pay it back at a future date. Mr. Overson commented that the city couldn't expect to get the full $5 million back, because part of that would build a road. The discussion continued.

Mr. McHargue commented that the Vineyard Connector Extension would be considered a loan to UDOT.

Mr. Church indicated that he told Nathan Anderson with UP that he would emphasize to the board that Mr. Anderson would like to meet with them before they made a decision about backing out of the railroad contract.

Chair Farnworth remarked that many thought that the city needed to accommodate everyone, which was not possible. He addressed the board, saying that they needed to decide which was the most important project, ranking them 1-4. He felt that the board needed to look at the city's interests first. He expressed frustration with waiting on the other entities.

Mr. Church wanted to respond to Boardmember Fullmer's earlier question about the timeline of the rail spur. He explained that the 12-24 month timeline was the city's timeline to get the spur built. After the spur was built, UP would then have a testing period, then have a year to do environmental remediation. So even though it would potentially be only a year until the city spends the money to build a new rail line for UP, it would be 30 to 36 months before the benefit would come. Mr. Church also pointed out that the city had already spent significant money on the rail spur project that would not be recoverable.

Mr. Overson agreed, stating that there was a contractor doing the design that had not been paid yet, since he was hoping to get the contract to do the construction. Mr. Church said that the city already had $1 million in costs, and cautioned the board against spending that money twice. He added that the city would also owe UP for their engineering and design. Mr. Church emphasized that if the board walked away from the railroad deal, they needed to understand that they had already spent some of the money.

Chair Farnworth stressed that even if the board backed out of the rail spur contract, the purchase of the easement through the Geneva property was still important. He reminded the board that if that were to go away, the city would have to pay more money for it later on. Mr. Church agreed, adding that the city would not get the UTA line unless they bought that, and that it was a criterion for any business coming into that area.

Chair Farnworth turned the discussion to ranking the projects. He said that the Center Street overpass and the FrontRunner station were his top two, followed by purchasing the easement through the Geneva property. He remarked that he was not worried about putting the Vineyard Connector extension through, since it was a UDOT road anyway. He noted that the city had had this discussion with them several times.

Mr. Brim stated that from an economic development standpoint, the city could develop a big portion of the Town Center with the Vineyard Connector as it was right now. If the city wanted to develop the full Town Center, the extension would be critical.
They continued the discussion.

Boardmember Riley expressed that one of his biggest concerns with the rail spur removal was that he felt like UP sucked the life out of potential economic development by saying that the city had to extend the rail south and push it closer to 800 North. He felt that the city would be losing its access along there. Boardmember Fullmer asked if that had changed. Boardmember Riley responded that it didn't sound like it.

Mr. Church clarified that UP thought it changed, but since couldn't get a commitment from the new Geneva Nitrogen owners, UP was moving forward as if it hadn't changed. They continued discussing the rail spur. Mr. Church said that he was surprised that once he mentioned to UP that the board might pull out of the deal, it suddenly became very important to them.

Mr. Brim commented that if the city built the rail spur for Geneva Nitrogen, it would set that property up to stay a heavy industrial use.

Boardmember Flake expressed his frustration with UP and felt that the whole track needed to either stay or be removed.

Boardmember Fullmer stated that she would be willing to negotiate with UP, and tell them that the board did not want the spur in there, since removing it would open up a lot of commercial use, which would bring in tax revenue to the city. She understood the concerns, but suggested that the city could negotiate with UP, telling them that the board wanted certain things out of the contract, then if they really cared about it they would work with the city. She felt that the city had fought this far and at this point could try to get a better deal. She said that after the Rail Spur, the FrontRunner Station and the Vineyard Connector extension were tied as her top choices. She observed that these projects changed the landscape of the community, and opened up the Town Center. She felt that the Center Street Overpass was a lower priority since it didn't bring in immediate economic development, and the residents already had enough safe ways out. She also stated that there were other places in Vineyard that did not have enough exits out. She felt that if the city was going to prioritize roadways to get people in and out of the community safely, that there were other places in Vineyard that they could address first and that would meet the fire marshal's recommendations.

Mr. Brim asked Mr. Overson to explain the 800 N overpass seismic standards. Mr. Overson explained that in the event of an earthquake, traffic would not be able to get across the 800 N overpass. In contrast, he stated that the Center Street overpass was being designed so that it would be earthquake-proof. They continued discussing seismic standards for overpasses.

Boardmember Riley pointed out that another reason to consider the Center Street overpass was that another developer was moving rapidly on The Orchards, which was 400 units. He felt that it was unrealistic to expect them all to use 800 North. They would use 400 South. Mr. Overson agreed, stating that the 400 South and Vineyard Road intersection would fail. Boardmember Riley agreed that economic development was a huge issue, but emphasized that, especially with the way the housing market was going, transportation had to be addressed. He stressed that the city could not stick its head in the sand and say that 400 South was going to continue to be an option, or that 800 North would solve everything. He felt that it would be interesting to get hard financial data on the projected fiscal impact if the city spent the money on the FrontRunner station, and how many years down the road it would then be before the city would have enough economic development to afford to put in the Center Street overpass. He felt that the city might not be able to wait that long to do it.

Mr. Church observed that the best reason to build the Center Street overpass sooner rather than later was so people could see it built before they buy their homes.

Mr. Overson wanted the FrontRunner station built. He also wanted the board to look at the Vineyard Connector overpass, which was currently two lanes and eventually would need to be widened to either five or seven lanes. That would cost more money that the city would have to either generate or pressure UDOT to spend. He said that it would not just have to be widened at 800 North, but also farther north to the Pleasant Grove interchange. He advised the board to consider that the Town Center development was about more than just having the money to build the train station, but also how to generate the money to put in all the infrastructure the city would need, and how to push UDOT to build the roads.

Chair Farnworth pointed out that their first burden as a city council and RDA board was safety. That was why he put the Center Street overpass and the FrontRunner station as the highest priorities.

Boardmember Flake suggested that they tell UP that the board approved the Center Street overpass and the FrontRunner station unless they significantly dropped the price.

Mr. Church felt that the best scenario was to do the railroad in the future at a lower price. About the tax increment brought in by development, he explained that in the future, the tax increment that the city might plan on to build the rail spur would have more people asking for it than were asking for it now. He stated that businesses would come in, requesting that the city build their parking structure, or pay for something else. He cautioned the board against counting on the development generating money for the railroad, since developers would be asking for that money when they come in.

Chair Farnworth commented that he had been getting pressure from UVU, UDOT, and others to get the rail spur, since the city had worked hard for nine years to get to this point and people did not want to start over.

Mr. Church agreed, adding that the best thing was for the railroad deal to fall through, become less costly, and then others step forward to help with the pay for the project. Boardmember Fullmer commented that this was especially true since there were businesses that wanted to come into that area, and homes on both the Orem and Vineyard sides. Mr. Church added that in the future, getting the railroad off Center Street would benefit both Vineyard and Orem, as well as getting the at-grade crossings off of 1600 North and at the Vineyard Connector.

Boardmembers felt it was time to reach a consensus.

Chair Farnworth stated that he liked what Boardmember Fullmer said, that the city could negotiate with UP. Mr. Church said that he could call them and tell them the money wasn’t there and that there were other priorities, and see if UP would make a better deal.

Chair Farnworth felt this was a good starting point. Boardmember Flake agreed, and remarked that the city needed to let UP know that the city had badly-needed projects that were ready to move on today. Chair Farnworth mentioned that once UP responded, then the board would know if they wanted to proceed with the Center Street overpass.

Chair Farnworth asked if all boardmembers agreed that the Center Street overpass was the top priority. Boardmember Fullmer replied that she needed to consider the FrontRunner station vs. the overpass. Because of her concern about other access points that she thought were a safety concern, she needed to look at the data first.

The board agreed to leave the decision for another discussion.

Boardmember Riley asked Mr. McHargue if he could get more financial data about the economic impact that opening up the access to Wal-Mart would have on the RDA.

McHargue replied that he could, and that he would get the data on different uses, since Anderson Geneva had mentioned possibly selling that land to grocery stores, car dealerships, etc. Mr. McHargue reiterated the point that Anderson Geneva got to choose to whom they sold the land.

Mr. Overson emphasized that if the city followed the deal with UP as it stood, the access to Geneva Nitrogen would not go past 1200 N. The area south of Geneva Nitrogen all the way to 800 North would be available. If they removed the track, the city would have access all the way down to Center Street. He specified that even if the city kept the deal with UP as it was now, the city would have access at 1050 North, 800 North, 650 North, and 400 North. 1600 North would remain private, and the track would run down to 1200 North.

Boardmember Riley sought clarification, saying that he thought it was going beyond 1200 N. Mr. Overson explained that they added more track on the north end to serve the Geneva Nitrogen so they didn't have to take track farther south.

Chair Farnworth called for a motion.

Motion: BOARDMEMBER FULLMER MOVED TO GIVE MR. CHURCH THE AUTHORITY TO RENEGOTIATE WITH UNION PACIFIC. BOARDMEMBER GOODMAN SECONDED THE MOTION. CHAIR FARNWORTH, BOARDMEMBERS FLAKE, FULLMER, GOODMAN, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

3.2 DISCUSSION AND ACTION – Reimbursement Request for the Geneva East Side Property

Anderson Geneva is requesting reimbursement of the east side property Containment Area management unit (CAMU) Phase. The board will take appropriate action.

Motion: BOARDMEMBER FLAKE MOVED TO THE CONTINUE THE REIMBURSEMENT REQUEST FOR THE GENEVA EAST SIDE PROPERTY TO ANOTHER MEETING. BOARDMEMBER RILEY SECONDED THE MOTION. CHAIR FARNWORTH, BOARDMEMBERS FLAKE, FULLMER, GOODMAN, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Meeting adjourned at 8:13 PM.

MINUTES APPROVED ON: October 25, 2017

CERTIFIED CORRECT BY: /s/Kelly Kloepfer
KELLY KLOEPFER, RECORDS MANAGEMENT ASSISTANT