

Minutes of the Special Meeting of the Syracuse City Redevelopment Agency held on April 25, 2017, at 10:15 p.m., in the Council Chambers, 1979 West 1900 South, Syracuse City, Davis County, Utah.

Present: Members: Andrea Anderson
Corinne N. Bolduc
Mike Gailey
Dave Maughan
Jordan Savage

Executive Director Terry Palmer
City Manager Brody Bovero
City Recorder Cassie Z. Brown

City Employees Present:

City Attorney Paul Roberts
Finance Director Steve Marshall
Community Development Director Brigham Mellor
Public Works Director Robert Whiteley
Fire Chief Eric Froerer
Parks and Recreation Director Kresta Robinson
Police Lieutenant Heath Rogers

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1. Meeting Called to Order/Adopt Agenda

Executive Director Palmer called the meeting to order at 10:15 p.m. as a special meeting, with notice of time, place, and agenda provided 24 hours in advance to the newspaper and each Boardmember.

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BOARDMEMBER MAUGHAN MADE A MOTION TO ADOPT THE AGENDA. BOARDMEMBER ANDERSON SECONDED THE MOTION; ALL VOTED IN FAVOR.

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2. Public comment

There were no public comments.

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3. Proposed Resolution RDA17-01 authorizing the Executive Director to execute an agreement for the 2017 improvements to the Syracuse Family Fun Center.

A staff memo from the Community and Economic Development (CED) Department explained earlier this year the Rush Funplex was found to be in breach of contract with the redevelopment agency after they stopped operating their swimming pool. They would like to present to the council a proposal to continue to receive tax increment and justify a new contract with the Redevelopment Agency to collaborate in funding these operations. On March 28th the RDA board heard from the Owners of the Funplex after having toured the facility on the 24th. The additions to the facility will cost around 2.5 million dollars in amenities and construction. Based the discussion in the RDA meeting held April 6th, 2017 the direction from most the council a new agreement is to be entered in with the Rush Funplex which include the following terms:

- The last two years of increment designated for the Rush will drop off while other Tax Increment payments will remain the same.
- The Rush is to work towards resolving accounts payable and outstanding debts with all property tax collecting entities.
- The Rush will have the new PP&E installed by Nov. 30, 2017
- Taxes are to be paid before increment is to be dispersed to the Rush.

The rebate schedule is to be as follows:

Tax Year	Year of Payment	Rebate to Developer
2017	2018	\$128,607
2018	2019	\$123,189
2019	2020	\$82,005
2020	2021	\$78,573
2021	2022	\$73,154

The memo concluded staff has drafted an agreement and resolution per the request of the RDA board.

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CED Director Mellor reviewed his staff memo and reviewed Mr. Gertge's plans for reuse of the space in the Funplex formerly occupied by the swimming pool. Discussion then centered on Mr. Gertge's efforts to resolve accounts payable and outstanding debts with property tax collecting entities. City Attorney Roberts indicated that the agreement provides the RDA with the ability to take action to withhold the tax increment payment if certain outstanding debts are not satisfied. Boardmember Maughan stated that the North Davis Sewer District (NDS) is willing to discuss Mr. Gertge's nonpayment of sewer impact fees associated with the pool, but Mr. Gertge has not pursued such discussions to date. He indicated that he is uncomfortable approving the agreement without Mr. Gertge having taken steps to resolve these types of issues. He added he feels that the RDA is being asked to subsidize another business venture for Mr. Gertge, but if the remaining venues at the Funplex are as successful as he has indicated they are, Mr. Gertge should be able to fund this new venture on his own. If a financial institution has indicated that the business is not financially stable enough to back a loan for the new improvements, that is very concerning to him as well. He stated he is not comfortable communicating to residents that the City has 'backed' additional improvements to a business that has already failed once. Boardmember Savage agreed; the perception among the residents is that a business owner should be able to budget and plan for additional improvements. Many of the residents that have discussed the issue with him have encouraged him to vote against additional funding for the business. High level discussion centered on the manner in which the Funplex receives tax increment funding based upon tax revenue generated by the business; Boardmember Gailey stated that he does not want to send a negative message that the City is unwilling to support business and economic development in the City. Boardmembers Anderson and Bolduc agreed.

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BOARDMEMBER MAUGHAN MADE A MOTION TO TABLE RESOLUTION RDA17-01 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT FOR THE 2017 IMPROVEMENTS TO THE SYRACUSE FAMILY FUN CENTER UNTIL SUCH TIME THAT FUNPLEX MANAGEMENT IS ABLE TO PROVE THEY HAVE RESOLVED THE OUTSTANDING DEBT WITH THE NDS.

The motion died for lack of a second.

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Continued discussion centered on any and all outstanding debts associated with the Funplex.

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BOARDMEMBER BOLDUC MADE A MOTION TO ADOPT RESOLUTION RDA17-01 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT FOR THE 2017 IMPROVEMENTS TO THE SYRACUSE FAMILY FUN CENTER WITH THE STIPULATION THAT THE OUTSTANDING DEBT WITH THE NDS BE RESOLVED OR LEGAL ACTION BE TAKEN BY AUGUST 1, 2017. BOARDMEMBER ANDERSON SECONDED THE MOTION. THE FOLLOWING ROLL CALL VOTE WAS TAKEN: VOTING "AYE" – BOARDMEMBERS ANDERSON, BOLDUC, AND GAILEY. VOTING "NAY" – BOARDMEMBERS MAUGHAN AND SAVAGE.

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At 10:48 p.m. BOARDMEMBER SAVAGE MADE A MOTION TO ADJOURN. BOARDMEMBER BOLDUC SECONDED THE MOTION; ALL VOTED IN FAVOR.

Terry Palmer
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: June 13, 2017