

**MINUTES
OF THE SOUTH OGDEN CITY
COMMUNITY DEVELOPMENT AND RENEWAL AGENCY BOARD MEETING**

Held Tuesday, August 18, 2015 in the Council Chambers of City Hall

BOARD MEMBERS PRESENT

Chair James F. Minster, Board Members Wayne Smith, Sallee Orr, Brent Strate, Russell Porter and Bryan Benard

STAFF MEMBERS PRESENT

City Manager Matt Dixon, Parks and Public Works Director Jon Andersen, Fire Chief Cameron West, Finance Director Steve Liebersbach and Recorder Leesa Kapetanov

CITIZENS PRESENT

Lisa Gailey, Jerry Cottrell, Walt Bausman

(Motion from city council meeting to enter CDRA Board Meeting):

Council Member Porter moved to recess Council Meeting and convene as the CDRA Board. Council Member Smith seconded the motion. The voice vote was unanimous in favor of the motion.

I. CALL TO ORDER

Chairman James Minster called the Board Meeting to order at 6:22 pm and moved to the first item on the agenda.

II. CONSENT AGENDA

A. Approval of June 16, 2015 CDRA Board Minutes

The chairman asked if there were any corrections on the minutes. There were no comments. The chairman called for a motion.

Board Member Orr moved to approve the consent agenda. The motion was followed by a second from Board Member Smith. The vote was unanimous to approve the minutes.

III. DISCUSSION/ACTION ITEMS

A. Consideration of CDRA Resolution 15-02 – Approving Partial Repayment of Advances Received and Indebtedness Incurred in Connection with the 36th Street Redevelopment Project Area

Chairman Minster invited Finance Director Steve Liebersbach to come forward and speak to this item. Mr. Liebersbach indicated that after lengthy research, it was the opinion of the CDRA Attorney Craig Smith that the loan could be repaid. Mr. Liebersbach gave a history, as far as he had been able to piece it together, of what had happened in the development of

the 36th Street Project Area to make the CDRA incur a debt to the City. The City had installed the infrastructure and prepared the ground for the developer in the early 1990's, charging the costs to the sewer, water and general funds. They had anticipated that the CDRA would repay the costs over time through the tax increment. However, in 2004 or 2005, it had been determined that the CDRA was not going to be able to repay the "loan" and entries had been made to write off the amounts. Since that time, however, the project area had generated some tax increment money, and through research and discussion, it was determined that the loans could be put back in the books. Staff recommended the enterprise funds be paid first and then the general fund.

Mr. Liebersbach also pointed out the original resolution for the loan mentioned an interest rate of 10%, however that rate was no longer reasonable. He proposed that a new interest rate be calculated based on the monthly interest rate the City received from the State Treasurer's Office, which came out to be 1.9631%. If the City were to require the 10% interest, the loan would never be able to be repaid due to all the interest. However, with the lower interest, he anticipated that both the water and sewer fund loans could be paid off within the current fiscal year.

There were questions from the board members concerning the project area. Board Member Porter said he thought it was a good idea to pay the water and sewer funds first. Board Member Strate asked where the money for the project areas came from. Mr. Liebersbach explained how the tax increment worked. He also explained how the various taxing entities agreed to forgo the taxes they would receive from the increment over the life of the project area; they would only receive taxes on the base amount. Mr. Strate said he would like to see the minutes from 2005 to see what the thoughts of the CDRA Board and City Council were at the time. He also said he thought the enterprise funds should be paid back first. However, since the project area ran through 2021 he thought it should run its course and in 2021 they should have something in place that if the money from the project area is not used, they will come back into the funds. He wanted the money in the project area available for other projects in case a developer came forward.

City Manager Dixon went through different scenarios of what would happen if a developer came to the City with a project in the project area after it was determined that the project area should repay the loan. Board Member Benard said he thought the project area should repay the loans to the water and sewer funds now, and if a developer came along in the next six years they would handle it at that time.

There was discussion among the board concerning the repayment of the loan. Board Member Strate re-iterated his desire to see the record from 2005 before he made a decision.

Board Chairman Minster said he would accept a motion to table or adopt.

Board Member Strate moved to table CDRA Resolution 15-02, followed by a second from Board Member Smith. The chairman asked if there was further discussion. Board Member Benard said the only reason he would want to table the resolution is so they could have the exact calculations for the amount to be paid back. He did not care what somebody thought twenty years ago and felt there was no need to look at the records; they were in charge of knowing what was right for the City today. **There was no more discussion. The chair called the vote:**

Board Member Strate-	Yes
Board Member Smith-	Yes
Board Member Benard-	Yes
Board Member Orr-	Yes
Board Member Porter-	Yes

CDRA Resolution 15-02 was tabled.


Chairman Minster then called for a motion to adjourn the CDRA Board Meeting.

IV. **ADJOURN**

Board Member Benard moved to adjourn the CDRA meeting and reconvene as the South Ogden City Council, followed by a second from Board Member Orr. Board Members Orr, Strate, Smith, Porter and Benard all voted aye in favor of the motion.

The meeting adjourned at 6:58 pm.

I hereby certify that the forgoing is a true, accurate and complete record of the South Ogden City Community Development and Renewal Agency Board Meeting held Tuesday, August 18, 2015.



Leesa Kapetanov, Board Secretary

Date approved by the CDRA Board _____ September 1, 2015 _____