

**MINUTES OF THE
TAXING ENTITY COMMITTEE FOR
THE REDEVELOPMENT AGENCY OF THE CITY OF HOLLADAY

COTTONWOOD MALL REDEVELOPMENT PROJECT AREA**

**Tuesday, November 7, 2007 B11:30am
Granite School District Offices
2500 S State St, Auditorium B&C
South Salt Lake UT**

1. Welcome

Chairman Peterson called the meeting to order at 10:40am and welcomed those in attendance. He thanked everyone for taking time to be here.

2. Roll Call

Stephanie Carlson did a roll call of all those present. Steve Peterson, Grant Orton, Emily Farmer, Neil Cox, Larry Newton, GayLeen Gandy, Keith Bradshaw, Dave Garrett, Dr. Stephen Ronnenkamp, Mitch Robinson and Randy Fitts. Others in attendance included Bob Springmeyer, Randy Feil, Kris Longson, and Cathy McCitrick

2. Waiver of 10 day notice of meeting

Grant Orton moved to waive the 10 day notice. Larry Newton seconded the motion. The committee voted in the affirmative and the motion carried.

**3. Review of Possible Project Area Budget(s) based on Taxing Entity Committee's Proposals
- Bob Springmeyer**

Mr. Springmeyer presented the committee with the proposed budget based on input from the committee at the last meeting. He passed out the budget and memo. The memo went over the budget option showing the City's sales tax contribution (which will not be voted on) and financial structure. The committee will vote on the larger spreadsheet that shows property tax increment. The proposed budget is for an 80/20 split (80% of increment for 20 years). The City of Holladay is committing 75% of their point of sale tax increment for the project and will also bond for \$70 million over 20 years.

The off-site public expenses are direct expenses as a result of the project (i.e. roads, sewer, power, signals, etc). These are not on site but adjacent to the project and within the RDA project area and need to go in as the project is built in order to make the project work. With this scenario the city is upside down \$2.2

million. The City may have to commit additional sales tax or its 20% pass through property tax increment to make up the deficit.

Emily Farmer asked why the city could not contribute 100% of their sales tax. Randy Fitts replied that we still have to run a city and sales tax is what cities use to provide services. The Mall area drives the sales tax and with only Macy's left our base tax is as low as it has ever been. If the project does not happen current property taxes will go down and there will be no potential increment flow-through.

Larry Newton asked if there was a way to decrease the amount over time of flow-through for sales tax so there is more money in the beginning. Bob Springmeyer used the analogy of a hockey stick. There is a period of construction and rebuild, and then it jumps up. The sales tax is project to go up 6% every year. We are asking for approval on the maximum amounts based on assumptions.

Dr. Ronnenkamp asked to see a list of the off-site improvements and where they will occur.

Randy Feil explained that if the project comes on line faster the city will be able to collapse the project sooner. It is intended that the commercial core will open in 2010. He asked ~~if~~ if the committee would like to see a "floating trigger year" built into the budget. The consensus of the committee was yes.

Dr. Ronnenkamp asked if there was any way to go above 20% or pass through for the school district. Would it work? Going to the school board proposing 22% is better than 20%. Also could the flow through start at less and increase over time? Mr. Springmeyer replied that the committee could approve the budget with a cap or with a 78/22 split. Mr. Feil noted that increasing the flow through increases the time and interest costs.

Mr. Springmeyer ran some tentative numbers doing a 78/22 split of the tax increment. It could work but would leave a deficit of \$4.6 million. The city and the developer would need to work together on the deficit. He also noted that the city is creating a community development area plan in conjunction with the blight-based urban renewal track in order to commit the sales tax increment to the project.

Kris Longson commented that in order to move forward they need to know that the money and the bond are there. They need that \$70 million or the project won't happen.

Dr. Ronnenkamp stated that when the presentation is made to the school board it needs to be in simple terms and numbers. The city needs to show Granite School District's portion only, in a concise and easy to understand way so the Board can justify it.

The Committee would like to see a 78/22 split. This is all perception based and those numbers look better.

4. Discussion on Schedule

The City will make a presentation before the School Board on November 13. The Board will not make a decision until their November 27 meeting, at the earliest. The Committee set their next meeting date for Wednesday, November 28 at 10:30am at the Granite School District to potentially vote on a budget.

5. Other Matters of Business

There was no other business.

6. Adjournment

Neil Cox moved to adjourn. Emily Farmer seconded the motion. The Committee voted unanimously in the affirmative and the meeting adjourned at Noon.

I hereby certify that the foregoing represents a true, accurate and complete record of the Taxing Entity Committee meeting held November 7, 2007.

Stephanie N. Carlson, CMC
Committee Secretary

Steven R. Peterson, Chair