

**TREMONTON CITY CORPORATION  
REDEVELOPMENT AGENCY  
JANUARY 16, 2024**

Board Members Present:

Lyle Holmgren, Chairman  
Wes Estep, Board Member  
Jeff Hoedt, Board Member  
Bret Rohde, Board Member  
Lyle Vance, Board Member  
Blair Westergard, Board Member  
Shawn Warnke, Executive Director  
Linsey Nessen, Executive Secretary

Chairman Holmgren called the Tremonton Redevelopment Agency Meeting to order at 5:30 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Chairman Holmgren, Board Members Estep, Hoedt, Rohde, Vance and Westergard (via Zoom), Executive Director Warnke, and Executive Secretary Nessen. Also in attendance were Assistant City Manager Marc Christensen, Public Works Director Paul Fulgham, Downtown Manager Sara Mohrman and Finance Director Curtis Roberts.

1. Approval of agenda:

**Motion by Board Member Vance to approve the January 16, 2024 agenda.** Motion seconded by Board Member Estep. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

2. Approval of minutes – October 3, 2023

**Motion by Board Member Rohde to approve the minutes of October 3, 2023.** Motion seconded by Board Member Vance. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

3. New Business

- a. Discussion and consideration of adopting Resolution No. RDA 24-01 committing funds to the Northern Utah Neighborhood Improvement Program (NUNIP) Grant, Phase 7, facilitated by Neighborhood Nonprofit Housing Corporation

Executive Director Warnke said this program is the rehabilitation of existing homes owned by individuals who are low to moderate income. We have done this program for seven phases and typically do 10 homes each phase. About \$17,000 is allocated per home for improvements. The RDA’s obligation is \$20,000, which is the lowest it has ever been. That covers the admin fees associated with

Neighborhood Nonprofit administering the program. They do a fantastic job. We are closing phase six within the next few months and will receive a report. This will put us on the path to move forward with Phase 7. Since this program has been successful and well organized, we included it as a strategy for our Affordable Housing Plan. We are required to do three and report back. We felt we should include what we are already doing and will continue to move that forward. The RDA has captured tax increment in years past from the West Liberty Foods Project area for this type of activity. These are restrictive funds that can only be used for low to moderate income housing projects. The \$20,000 would be pulled from those RDA funds.

**Motion by Board Member Estep to adopt the resolution.** Motion seconded by Board Member Vance. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

- b. Discussion and consideration of adopting Resolution No. RDA 24-02 approving amendments to the moderate-income housing strategies contained in the Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan

Executive Director Warnke said we are moving away from the three strategies that are currently in the plan. We have three new ones to discuss (page 13 of the Council packet). Mayor Holmgren said C is the rehabilitation of an uninhabitable housing stock into moderate income housing. L would reduce, waive or eliminate impact fees related to moderate income housing. R would eliminate impact fees for external accessory dwelling units. Manager Warnke said what we would propose is that the RDA consider a resolution that would essentially pay for those impact fees from that same housing fund. Anyone who meets the criteria, low to moderate income, who has an impact fee, could apply and the RDA would consider paying those impact fees on behalf of that housing project. Those strategies are exactly as they are worded in the Utah Code. Board Member Rohde asked if there is a number of units we are supposed to have per population? Executive Director Warnke said we did an individual analysis that has some shortcomings. We were short 700 to 800. That is not very telling because I believe we have more rentals going on that we are not aware of. There is just not a great way to capture what is going on within that segment of the market. State requirements are more focused on these strategies and complying with them. Board Member Vance said from a banking standpoint, a healthy real estate economy should be 30% in rentals, 20% in beginner homes, and the other 50% as houses. This is a national statistic. Those numbers are hard to get because of the Tremonton boundaries and it does not show an accurate picture of what is going on.

Board Member Hoedt said I have some proposed amendments and questions. Page 16 under strategy B, the lower paragraph, fourth line down. The City could extend utilities to undeveloped areas, which includes areas within the City, but

also in the annexation area. Does that mean we would build something that has not been annexed? Executive Director Warnke said we would enter into an agreement with the developer, it is a pre-annexation agreement where we define participation for each party in constructing low to moderate income housing. If we use those funds that development would have to produce low to moderate income housing. They could dedicate a certain portion of land to the City or a land trust. The money or land would be set aside and we would work with an organization to construct homes restricted for low to moderate income. This is all post-performance. The developer would construct it and we would reimburse them. We would eliminate or reduce risk. Our objective is to get more moderate-income housing. We have done some work to evaluate and vet these strategies. Board Member Hoedt said in a couple paragraphs it says developers would be expected. Is there a reason we say expected instead of required? Executive Director Warnke said yes, we could say required. That is better wordsmithing. It would be an obligation.

Board Member Hoedt said on strategy M we are looking at creating a nonprofit corporation. I understand this gives us flexibility, but is there any advantage to creating our own versus working with the entity that exists now? Manager Warnke said no, this draft was not fully vetted as far as implementation. We left them conceptual. There are different entities that could provide this service on our behalf. We did not spend a lot of time getting detailed in this section because it was just on our watch list. Board Member Hoedt said the other amendment would be for strategy X. At the end of the first paragraph, we have noted programs and strategies. I would like to add wording about Habitat for Humanity. Chairman Holmgren said there are others, too. These things are still on the horizon.

**Motion by Board Member Hoedt to approve with the amendments proposed in the discussion above.** Motion seconded by Board Member Vance. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

Chairman Holmgren called a Public Hearing to order at 5:59 p.m. to hear input about the project listed below. There were nine people in attendance.

4. Public Hearing
  - a. Regarding the Autoliv Solar Community Reinvestment Project Area #1 Plan and Budget.

Clint Munns, from Garland Cemetery District, said I do not understand a lot of what was in that letter. I have come to listen and see what you are proposing. I am here to get information. Board Member Vance said can we discuss it and then open it up for the public to ask questions if there are any. The Board agreed.

Chairman Holmgren closed the Public Hearing at 6:01 p.m.

5. New Business (Continued)

- c. Discussion and consideration of approving Resolution No. RDA 24-03 adopting the Autoliv Solar Community Reinvestment Project Area #1 Plan Cody Deeter

Mr. Deeter said this resolution is to adopt the project area plan. A solar facility has been built on this parcel. There will be an additional phase further to the east and will go up into Garland as well. This project will generate solar energy for Autoliv to meet its long-term sustainability goals, generate green power and reduce its carbon footprint. I represent Solar Farmers, which is the entity that built and owns the solar array for tax reasons. Autoliv does not own the facility. They just want to buy the power from my company. The reason this is proposed to the taxing entities is because all the property that is built is considered personal property. The reason to bring this to the board for approval is so that new revenue will come to the City and other taxing entities. Right now, personal property and the certified rate do not generate new revenue to taxing entities. It just reduces the rate. You also have a project area budget you would approve next that will approve the dollar amounts being discussed. Executive Director Warnke said I reviewed the project area plan and made changes, which have been included. I feel the plans are in good form. A future decision of this board is what to do with the generated increment. We have discussed making good on a loan that the RDA defaulted to the water fund. If this is approved, we hope to put a resolution before you at the next meeting that would formalize that. Mr. Deeter has discussed administering this project area with the RDA having the final administrative authority as far as distributing funds and reports. It is a 25-year project trying to capture the full value of the assets. There is a five percent admin fee. Mr. Deeter said as long as Solar Farmers provides that administration, there would not be a five percent fee. If for some reason we did not do that, we would take five percent of the money that we were receiving and would provide that back to the RDA to offset your costs.

Chairman Holmgren said how does this impact the taxing entities over time. Mr. Deeter said the depreciation schedule starts around 98%, then goes to 94 and 91. It continues to go down over a 15-year period until it hits 8% of the original value and stays there for the life of the project. We will enter into a participation agreement with this board that describes how you will pay us and the things we need to do to earn those funds. Board Member Vance asked if all the taxing entities are in agreement? Mr. Deeter said currently, the school district has approved to enter into an interlocal agreement with this body. The County has not yet approved that interlocal agreement. We are not requesting any assistance from the other, smaller taxing entities. We are not planning to approach them to adopt an interlocal agreement to contribute funds. Instead of increment, they will receive a reduction. Executive Director Warnke said this does not hurt them. They will get the same amount of revenue they always have and see a slight decline in their certified rate calculation.

**Motion by Board Member Vance to approve the resolution.** Motion seconded by Board Member Estep. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

- d. Discussion and consideration of adopting Resolution No. RDA 24-04 adopting the Autoliv Solar Community Reinvestment Project Area #1 Budget.

Mr. Deeter said this is a good summary of the budget. The three top taxing entities are the County, the school district, and the City. The split will be 40% of the new value going to Solar Farmers and 60% would flow back to your respective boards. The City will enter into an interlocal agreement with this board where you will contribute 100% of your tax increment to the RDA. You will keep 60% and give 40% to Solar Farmers. That is part of the administrative burden. We will make those calculations of what needs to be sent to each of the taxing entities and send a review and cut checks. The total source of revenue is \$2.4 million over the life of 25 years. The amount for Solar Farmers will be \$892,000. The rest will flow to the three respective bodies over a 25-year period. The City will receive \$7,000 in year one and \$21,000 in year two because of the second phase. That amount will slightly go down each year. Executive Director Warneke clarified that the RDA is capturing 100% and then remitting 60% back to each of the participating taxing entities. The firm will get 40%. These funds will flow back to the City's General Fund. Mr. Deeter said yes, but you can make a transfer to the RDA if you choose.

**Motion by Board Member Rohde to adopt the resolution as it has been discussed.** Motion seconded by Board Member Vance. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

- e. Discussion and consideration of adopting Resolution No. RDA 24-05 approving an interlocal cooperation agreement with Tremonton City regarding the Autoliv Solar Community Reinvestment Project Area #1.

Mr. Deeter said you approved the plan and the budget. This body now has the authority to collect tax increment, but no money will flow until you enter into the interlocal agreements with the specific taxing entities. The first agreement will bring the money from the City to the agency. The second agreement, which you'll consider after this will bring the money from Box Elder School District to this board. At a future day, we will bring another resolution that will bring part of that money to Solar Farmers. We have not heard back from the County so we will need help there. These next two resolutions only include the school district and City at this time. If the County does not get back to us they will lose revenue that they otherwise would have received. We will be short some revenue too, which we do not like, but would live with. Regardless, the project will continue.

**Motion by Board Member Vance to adopt the resolution.** Motion seconded by Board Members Hoedt and Westergard. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

- f. Discussion and consideration of adopting Resolution No. RDA 24-06 approving an interlocal cooperation agreement with the Box Elder County School District regarding the Autoliv Solar Community Reinvestment Project Area #1.

**Motion by Board Member Estep to adopt the resolution.** Motion seconded by Board Member Rohde. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

6. Adjournment

**Motion by Board Member Vance to adjourn the meeting.** Motion seconded by Board Member Estep. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

The meeting adjourned at 6:30 p.m.

The undersigned duly acting and appointed Executive Secretary for Tremonton City Corporation Redevelopment Agency hereby certifies that the foregoing is a true and correct copy of the minutes for the RDA Meeting held on the above referenced date. Minutes were prepared by Jessica Tanner.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Linsey Nessen, Executive Secretary