

**Pleasant Grove City Council and
Redevelopment Agency Meeting Minutes
October 7, 2014
8: 50 p.m.**

PRESENT:

Chair:

Jay Meacham

Board Members:

Dianna Andersen

Cyd LeMone

Ben Stanley

Excused:

Michael W. Daniels

Cindy Boyd

Staff Present:

Scott Darrington, City Administrator
David Larson, Assistant to the City Administrator
Deon Giles, Parks and Recreation Director
Dean Lundell, Finance Director
Degen Lewis, City Engineer
Tina Petersen, City Attorney
Marc Sanderson, Fire Chief
Ken Young, Community Development Director
Lynn Walker, Public Works Director
Sheri Britsch, Arts and Culture Director
Barbara Johnson, Planning Tech

Others Present:

Randy Sant, Economic Development Consultant
Libby Flegal, NAB Chairperson

The Redevelopment Agency and staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

ACTION: At 8:50 p.m. Council Stanley moved to adjourn as the Pleasant Grove City Council and convene as the Pleasant Grove City Redevelopment Agency. Council Member LeMone seconded. The motion passed with the unanimous consent of the Council.

1. To consider for adoption a Resolution (**2014-01 RDA**) authorizing the RDA to enter into and execute a Participation Agreement with Thrive Holdings, LLC, and its subsidiary companies (doTerra) regarding the 1300 West Community Development Project Area. Said Participation Agreement addresses reimbursement to Thrive for certain costs involved in developing and expanding in the Project Area. *Presenter: Administrator*

Darrington

Administrator Darrington noted that Randy Sant, Economic Development Consultant, was present. He then reported that when negotiations began with doTerra to provide an incentive for them to relocate to Pleasant Grove, about a year ago we came to an agreement with the Mayor and Council and doTerra on the basics of what the agreement would consist of. DoTerra has signed the agreement and now we are bringing it in front of the Redevelopment Agency for approval and signature. He noted that Alpine School District is also participating and they have already signed the agreement and then sometime in the near future we will bring the ASD agreement and the County agreement before this Board for approval.

Administrator Darrington commented that one of the highlights of the agreement is that we have agreed as a City to incentivize doTerra with \$4,000,000 and also a \$250,000 traffic light at 1300 West and PG Boulevard. As a City we were going to put the traffic signal in in the future but doTerra wanted it in before, but we didn't have the money to do it so doTerra fronted the money and we will pay them back over 20 years. The money will be paid back through the property tax that will be generated from doTerra and part of the agreement was that if they didn't generate enough property tax from the building that they built we said that they can back fill it with sales tax. doTerra has agreed to collect and credit as a point of sale to the City \$30,000,000 annually, meaning that if they don't meet that bench mark then they don't need to pay sales tax as an incentive. Along with that we have maximized what our sales tax payment will be and that is to not exceed \$42,000 a year.

Randy Sant, Economic Development Consultant, wanted to clarify that the doTerra building has to assess at \$38,000,000, if it assesses less than we don't have to make a sales tax payment nor do we have to make our maximum annual payment in increments of \$237,000, so if the building assessment drops then the payment drops. This is a 20 year agreement and it is based upon an annual payment of \$237,000 and that is based upon the incremental taxes that we anticipate that we will get, so when we hit \$4.7 million or 20 years which ever come first then we are done. He thinks that with the additional building going in we will be able to pay off the \$4.7 million quicker and we are going to calculate that number so when we come back with all of the Interlocal agreements then we can give you an update on how fast we will be able to pay that off.

Mr. Sant then reported that what is in front of the Board tonight is the approval of a tax increment participation agreement, it is our deal that we made with doTerra for them to build their building.

Chair Meacham asked why this is coming before us now isn't it a little late. Mr. Sant replied that it is late, we asked doTerra to sign the agreement before they brought it back to us and they took their time signing the agreement. Administrator Darrington remarked that doTerra took a risk in taking so long to sign the agreement.

Mr. Sant then reported that the process that we will go through now is that we have Interlocal agreements that we have to get signed with the other taxing entities. The County is going to put it on their agenda in the next week, we also have to get the other smaller entities to sign theirs and then we will bring it back before the Board and then we will have to do an agreement between

the City and the RDA and then the Board will sign all of the agreements and then per State statute we will have to publish a 30 day notice that we have entered into an Interlocal agreement with all of the taxing entities. At the end of the 30 day protest period we will then notify the County which will set up a taxing district and then we will be able to collect the taxes under the terms of the Interlocal agreement. Under this agreement the doTerra building will go on the tax rolls starting January 1, 2015 so the first year tax increment payment will be in January 2016.

Chair Meacham asked for clarification, the \$275,000 that is talked about is that the total amount due by all the entities. Mr. Sant replied that the annual payment that the RDA will make to doTerra is \$237,000 a year that will pay the \$4.7 million over 20 years. This amount is based upon a \$38,000,000 assessed value on the building with the percentages that we have asked for and that includes 25% from ASD and 75% from all the other entities which equals \$237,000.

Chair Meacham asked if there were any further discussion, being none he called for a motion.

ACTION: Board Member LeMone moved to adopt Resolution (**2014-01 RDA**) authorizing the RDA to enter into and execute a Participation Agreement with Thrive Holdings, LLC, and its subsidiary companies (doTerra) regarding the 1300 West Community Development Project Area. Said Participation Agreement addresses reimbursement to Thrive for certain costs involved in developing and expanding in the Project Area. Board Member Andersen seconded. A voice vote was called for. Board Members Andersen, LeMone, Meacham and Stanley voted "Aye." The motion passed unanimously.

Chair Meacham called for a motion to come out of the RDA meeting and reconvene as the Pleasant Grove City Council.

ACTION: At 9:01 p.m. Council Member LeMone moved to come out of the RDA meeting and reconvene as the Pleasant Grove City Council. Council Member Stanley seconded. The motion passed unanimously with the consent of the Council.

Minutes approved by the City Council on November 5, 2014.

Kathy T. Kresser, CMC City Recorder

(Exhibits are in the City Council Minutes binders in the Recorder's office)