

# City of Green River

460 East Main Street, Green River, Utah  
City Council Minutes  
Special Meeting  
Monday, Dec.14, 2020

**ATTENDING:** Mayor Travis Bacon, Council Members Kent Nelson, Kathy Ryan, Bo Harrison and Larry Packer. Employees Conae Black, Julie Spadafora, Cameron Willford, Adam Hughes from Better City, LLC

**ABSENT:** Mike Silliman

**CONDUCTING:** Mayor Travis Bacon, the meeting began at 6:36 p.m.

## ORDER OF BUSINESS

1. Presentation and update on the Green River Community Reinvestment Agency. Adam Hughes addressed the Mayor and City Council about the Community Reinvestment Agency (CRA) that was formed and established in the year 2018. He informed the City Council about Redevelopment Agencies and the possible approach to tax increment collection for redevelopment along our Main Street project area. The Holiday Inn and building modifications to Love's is a prime example of new growth within the redevelopment area. If we can capture this tax growth within the CRA, Green River City would benefit greatly from the incremental tax revenue. There are a number of properties that have not been maintained while others have environmental risks. The City is trying to encourage and attract more private sector investments with the possibilities of cleaning up all blighted areas. A successful project would be an example to the community and encourage outside potential businesses and growth in our down town areas. Adam Long with Smith Hartvigsen law firm drafted an Interlocal agreement for the City Council's consideration. The proposed agreement between the Agency and the County is 80% of the incremental property tax within the redevelopment area for a period of up to 15 years, which will expire December 31, 2035. Conae Black said negotiations have started with the County. Just the City's share of the property taxes from the Holiday Inn Express and Love's will be around \$60,000. Adam Hughes commented they could combine the sales taxes collected with the incremental property taxes. The CRA could collect around \$120,000 a year. Conae Black mentioned the County would like to see a \$500,000 cap which probably will be the only way to secure the County's participation. The \$500,000 does not include the sales or transient tax. Adam Hughes advised we should seek after the sales and transient taxes as well, which would raise the cap closer to \$1,000,000.00 for the life of the CRA. Conae Black said, we have not started negotiations with the School District yet but they will have the most property taxes to contribute. We will be on the Emery County School District's agenda for January 6, 2021. She said it is also a good idea to let the County know we are serious about this CRA. Cameron Willford and Kent Nelson asked, in order to complete our goal project, it will cost \$2.5 million, with a cap of \$500,000.00, we are still short about \$2 million from completing our project? Adam Hughes said realistic we should bump that amount up to a \$1 million cap in order to reach our goals. Kent Nelson was concerned that if we are increasing businesses how are we going to increase our water and sewer revenue if we are losing out on this money? Conae Black answered their question by saying anytime you increase the water, sewer and garbage services the revenue increases too. Mayor Bacon said if we were to authorize ourselves to go 100%, we really do not need to do anything. For instance, Holiday Inn has asked the City for incentives and it just wasn't profitable to do so. They asked to keep 10%, 30% or 80% of their property taxes. Adam Hughes explained the difference between the tax increment going to the developer and tax increment that stays with the redevelopment area. Adam Hughes stated, the City was smart not to provide any incentives. Why would they purchase their land, pay a franchise fee and secured the Holiday Inn Express flag and still need help? These are not things a developer does if he cannot make a project work. Mayor Bacon commented, the Holiday Inn said it wasn't a doable project if they were not able to get the incentives. Adam Hughes explained the City was wise not

to give an incentive because of the Holiday Inn's prior actions. He said once the City agrees to the Interlocal Agreement, this money goes to the redevelopment agency. The City cannot use it once it has been agreed upon. The funds can only be used for the redevelopment area and cannot be used for municipal services but only for redevelopment services. Conae explained, the CRA is the same body of people but different rules, different laws. Adam Hughes asked, what services does the City provide that are funded from the property and TRT tax revenue? The City must decide if they are able to go without the use of those funds during the redevelopment period. Is there a risk we would not have sufficient money to provide services? Conae Black confirmed the Incremental Funds do not go into our General Fund it's a totally different bank account for the CRA. Bo Harrison asked, what are the TRT funds used for? Conae Black answered, currently the 1.0 or 1.5% contributed is going towards our Special Events. Our Sales Tax revenue is currently about \$235,000 in the General Fund, we will not be seeing a difference in that amount this year. The property tax should be staying about the same. Bo Harrison asked, are we concerned about the TRT and Sales Tax funds being spent solely on this CRA? Conae Black answered, honestly she does not have concerns about Sales Tax and Property Tax, but the TRT is a concern because we do not receive a large amount and we struggle with trying to provide for our events. This is how we fund all of our events and pay Robin Hunts wages. Cameron Willford asked, does our base stay the same? Conae Black asked how does that work with Sales Tax and TRT Funds? We would not be capturing any of those taxes with in the project area right? The base stays the same, but we could use more Transient Tax. Adam Hughes commented if the City decides to contribute the Sales Tax increment it would be accentually the same as the Property Tax increment. If the agency sets the baseline value on the year 2020, then the new tax revenue coming in above the baseline would be captured in the CRA. Conae Black commented, not all Interlocal Agreements look the same. They could be 80% for 15 years or 100% for 5 years or they could taper down from there. Adam Hughes said it is called a waterfall schedule. It really depends on what you can negotiate. A CRA represents partners working together to grow a tax base. Conae Black said it would be most helpful if we could see the numbers and what they look like for us. Bo Harrison asked, if we included the Incremental Tax, Sales and TRT taxes, would our baseline be covered? Adam Hughes said, your baseline should be covered at the same level of services we are providing now. If there is substantial growth in the CRA a cap would be very helpful. Once the cap is reached or met it cuts off allowing the City to return back to collecting Incremental Taxes. The questions we need to ask ourselves is if we are comfortable with the level of services we are providing and can we accommodate new growth in the next 15 to 10 years at that service level? What if the City were to contribute additional taxes to the CRA? Conae Black said, we already know we have the Holiday Inn and the Loves plus two other potential businesses who have reached out to the City wanting to place a business in the main street area. So there could be a slight increase, but not a large one. Kent Nelson suggested not having a cap on the Interlocal Agreement between the City and the Agency. Bo Harrison asked if it would be a good idea to put a very large cap just in case something happened? Conae Black stated it is a very hard decision to make when you're making it for the future generation 20 years from now.

2. Discuss/approve/deny contract with Better City LLC. The City has worked with Better City, LLC on economic development for about three years. The contract amount for the 2021 year is \$123,000 which is an increase from previous years. Adam Hughes from Better City went over the scope of work they will be providing. **MOTION:** Kathy Ryan made a motion to approve the renewal of the contract with Betty City. Kent Nelson seconded the motion. **VOTE:** Bo Harrison, Kent Nelson, Larry Packer, Mike Silliman and Kathy Ryan voted aye. The motion carried.

3. Adjourn. The meeting adjourned at 8:04 p.m.

---

Travis Bacon, Mayor

---

Conae Black, City Recorder

Approved: February 9, 2021