

NOTICE OF PUBLIC MEETING

TO THE RESIDENTS OF VERNAL CITY: Notice is hereby given that the **VERNAL CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY** will hold a Special Meeting on *Wednesday, August 5, 2020 after the City Council meeting* in the Vernal City Council Chambers at 374 East Main St, Vernal, Utah.

A G E N D A

1. Acknowledgment & Approval of Special Meeting
2. Approval of Minutes of January 15, 2020

POLICY AND LEGISLATION

1. Request for Approval of Participation Agreement and Memorializing an Agreement with the Vernal Towne Center regarding Prior Tax Increment Funds – Resolution No. 2020-01 – Quinn Bennion
2. Open Meetings Training – Quinn Bennion

ADJOURN

NOTE: In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Quinn Bennion, 374 East Main, Vernal, Utah 84078 or phone (435)789-2255 at least three days before the meeting.

1 **M**INUTES OF THE VERNAL CITY COMMUNITY DEVELOPMENT AND
2 **RENEWAL AGENCY SPECIAL MEETING ON WEDNESDAY, JANUARY**
3 **15, 2020** after the City Council meeting in the Vernal City Council Chambers at 374
4 East Main St, Vernal, Utah.

5
6 **PRESENT:** Dave Everett, Ted Munford, Nicholas Porter, Doug Hammond, Bert Clark and
7 Travis Allan.

8
9 **ACKNOWLEDGMENT & APPROVAL OF SPECIAL MEETING:**

10 Bert Clark moved to acknowledge and approve this special meeting. Ted Munford seconded the
11 motion. The motion passed with Everett, Munford, Porter, Hammond, Clark and Allan voting in
12 favor for a unanimous vote.

13
14 **APPROVAL OF THE MINUTES OF DECEMBER 4, 2019:** Ted Munford moved to approve
15 the minutes of December 4, 2019 as written. Dave Everett seconded the motion. The motion
16 passed with Munford, Everett, Porter, Hammond, Clark and Allan voting in favor for a
17 unanimous vote.

18 **CLOSED SESSION:** Bert Clark moved to go into closed session to hold a strategy sessions to
19 discuss pending or reasonably imminent litigation and reconvene into open session when that
20 discussion is completed. Dave Everett seconded the motion. The motion passed with Clark,
21 Everett, Munford, Porter, Hammond, and Allan voting in favor for a unanimous vote.

22
23 **ADJOURN:** There being no further business, Bert Clark moved to adjourn. Dave Everett
24 seconded the motion. The board voted unanimously to adjourn the meeting.

25
26
27
28 _____
29 Chair Doug Hammond

30 ATTEST:

31 _____
32
33 Secretary, Quinn Bennion
34 City Manager / Recorder
35

VERNAL CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY

Resolution No. 2020-01

A RESOLUTION OF THE VERNAL CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY APPROVING A FINAL PARTICIPATION AGREEMENT AND MEMORIALIZING AN AGREEMENT WITH THE PARTICIPANT REGARDING PRIOR YEAR TAX INCREMENT FUNDS AND REQUESTING APPROVAL BY UINTAH CO.

Whereas, the Vernal City Community Development and Renewal Agency the “Agency” was established in 2012 and negotiated with Gardner Towne Center LLC the “Participant” to use Tax Increment Funds to help facilitate the development of approximately 28 acres of land near the western area of Vernal City; and,

Whereas, several different versions of the Participation Agreement were prepared and circulated among the Taxing Entities, Vernal City, Uintah County, and Uintah School District; and,

Whereas, a version of the Participation Agreement bearing a date of July 23, 2013 which included some input from Uintah County and from Participant was presented to the taxing entities for review, and each of the taxing entities entered into Interlocal Agreements with the Agency pledging Tax Increment Funds to the Agency for the purpose of funding the Participation Agreement; and,

Whereas, several versions of the Participation Agreement bearing the same date were circulated and some uncertainty developed concerning the adoption of and language of the intended final Participation Agreement; and,

Whereas, this resulted in differing understandings concerning the payment of the Tax Increment Funds by the County to the Agency when some portion of the *ad valorem* tax on the project was not paid when due; and,

Whereas, the Tax Increment Funds payable to the Agency pursuant to the Interlocal Agreements were not paid by Uintah County to the Agency for tax years 2018 and 2019; and,

Whereas, the Agency has learned that the 2018 Tax Increment Funds have been paid or disbursed to the taxing entities and are not available for payment to the Agency; and

Whereas, the 2019 Tax Increment Funds have not been paid to the Agency but have been held by Uintah County and not otherwise disbursed to the Taxing Entities; and,

Whereas, the Participant has demanded that the Agency pay the 2018 and 2019 Tax Increment Funds to the Participant; and,

Whereas, the only funds that can be used to make payment to the Participant are the Tax Increment Funds paid to the Agency by Uintah County; and,

Whereas, representatives of the Agency met with County representatives to discuss the concerns relating to uncertainty of the language of the Participation Agreement and to resolve the issues relating to the language and interpretation of the Participation Agreement and to propose an acceptable settlement or solution to the existing problems; and,

Whereas, representatives of the Agency met with the Participant on June 26, 2020 and following an extensive review of the issues and misunderstandings and concerns relating to the Participation Agreement and to the obligations for payment of the Tax Increment Funds an agreement acceptable to both the Participant and the Agency was reached; and,

Whereas, Participant has agreed to not seek to recover or collect any of the 2018 Tax Increment in consideration of the terms and agreements memorialized or outlined herein; and,

Whereas, Agency has not withheld the 5% administration fee called for in the Participation Agreement for some of the prior years and Agency shall not recover or collect any of said unpaid fees for any Tax Increment Funds previously paid to Participant; and,

Whereas, the Agency has determined that the agreement outlined herein is in the best interests of the parties and is in the best interest of the community.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF THE VERNAL CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY AS FOLLOWS:

1. The Participation Agreement dated August ____ 2020 attached to this Resolution is adopted and approved and the Chairman is authorized to execute said agreement on behalf of the agency.

2. The Participation Agreement shall become effective upon execution by the Agency and the Participant and shall apply to and govern the distribution of the 2019 Tax Increment Funds, and all funds thereafter.

3. The Agency shall consult with Uintah County concerning the clarification of any uncertainty relating to the Participation Agreement and to obtain a Resolution recognizing the Participation Agreement attached hereto and incorporated herein, and further recognizing that if in any tax year a portion of the *ad valorem* taxes are not paid on the Project the Tax Increment amount set forth in the Interlocal Agreement with each of the Taxing Entities that is received by Uintah County will be paid to the Agency.

4. If any *ad valorem* taxes are not paid for any Project properties as required by the Participation Agreement, the Agency may, pursuant to the terms of the Participation Agreement, withhold payment of that portion of the Tax Increment for that tax year.

5. The Agency shall work with the Uintah County Commissioners and County officials to receive prompt payment of the 2019 tax year increment and shall disburse those funds in accordance with the Participation Agreement dated August ____ 2020.

6. The Agency shall not recover or collect any unpaid administration fees (5%) for any Tax Increment Funds which were paid to Participant, prior to this Resolution.

7. The agreement of the Participant not seek to receive or recover and to forego payment of the 2018 Tax Increment in consideration of the terms and conditions outlined herein shall be memorialized, and such agreement is an integral component of this Resolution, and this Resolution shall take effect when such agreement is signed by both parties.

APPROVED AND ADOPTED this ____ day of August, 2020.

Chairman
Vernal City Community Development and
Renewal Agency

Attest:

Secretary

Participant, Gardner Towne Center, LLC for itself and any successors or assigns, in consideration of the foregoing Resolution and the Agreement of the Agency hereby it releases, discharges, and waives any claim for or related to the 2018 Tax Increment Funds.

Participant
Gardner Towne Center, LLC

By Rulon Gardner its authorized
Representative