

CLEARFIELD CITY COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
MEETING MINUTES
8:00 A.M. WORK SESSION
August 23, 2019

(This meeting was held prior to a City Council work session.)

Megaplex Theaters at The Junction
Second Floor
2341 Kiesel Avenue
Ogden, Utah 84401

PRESIDING:	Kent Bush	Chair
PRESENT:	Nike Peterson	Director
	Vern Phipps	Director
	Tim Roper	Director
	Mark Shepherd	Director
	Karece Thompson	Director
STAFF PRESENT:	JJ Allen	City Manager
	Summer Palmer	Assistant City Manager
	Stuart Williams	City Attorney
	Kelly Bennett	Police Chief
	Devin Rogers	Police Assistant Chief
	Adam Favero	Public Works Director
	Brad Wheeler	Streets Superintendent
	Eric Howes	Community Services Director
	Spencer Brimley	Community Development Director
	Brad McIlrath	Senior Planner
	Rich Knapp	Finance Manager
	Trevor Cahoon	Communications Coordinator
	Nancy Dean	City Recorder
	Wendy Page	Deputy Recorder

Chair Bush called the meeting to order at 8:00 a.m.

DISCUSSION ON ADDENDUM #1 TO THE CITY CENTRE TAX INCREMENT
PARTICIPATION AGREEMENT

JJ Allen, City Manager, explained Argentine Corner had been in Clearfield for about a decade and would like to expand its operations. He mentioned it would like to relocate its restaurant to the retail space at City Centre. He stated the intention was not to abandon the other store but use it as a distribution center. Mr. Allen noted there was a \$50,000 gap between the total tenant improvements costs for restaurant use and City Centre's tenant improvement allowances of \$60 per square foot. He reported representatives from both the City Centre development and Argentine Corner approached the City to ask if there were any financial assistance which could

be provided to help offset the gap. He reviewed the following proposal with the Board that could potentially help bridge the gap:

- The CDRA could front the City Centre \$50,000 to close the gap on the tenant improvements required to bring Argentine Corner to the space.
- Improvements could be completed by the end of the year, allowing for Argentine Corner to open by January 2020.
- The incentive payment per the existing TIF Agreement for Tax Year 2018 was \$72,042 and distributed in the spring of 2019 so that would be used as the baseline amount.
- Beginning with tax year 2019 and each year running through tax year 2023, if the calculated incentive payment exceeded the baseline \$72,042, then the excess would be retained by the CDRA until the \$50,000 was recuperated.
- Once the \$50,000 was reimbursed to the CDRA, City Centre would be entitled to the full amount of the calculated incentive payment through the remainder of the term.
- If the calculated incentive payment in any of the years was less than the baseline \$72,042, then the CDRA would not receive any reimbursement for that year.
- If, after the expiration of the project area and the Agreement, the sum of the annual reimbursements to the CDRA did not total \$50,000, the remainder of the loan would be forgiven.

Mr. Allen expressed his opinion the likelihood of the CDRA not recuperating its investment would be low. He noted based on estimated calculations, the CDRA should be made whole within a few years. He suggested staff had been working on the details of the agreement for a while and it was scheduled for the Board's consideration during a policy meeting on August 27, 2019. He reviewed the options of the Board for approval, denial, or tabling the matter.

Director Thompson stated there were several negative reviews on Google about the service and worried the issues were employment related. He noted there were positive reviews about the food. He expressed his concern that if the business were to grow this could add an additional burden to staff and therefore, if the issues continued he did not feel it would be a wise investment. There was a discussion about Argentine Corner, its successes, its challenges, its operational style, various cultural differences, and its plans for relocation.

Director Shepherd reported the investment would bring a restaurant to the downtown which desired to operate 24 hours per day 7 days a week at least in the corner bar portion of the space. He pointed out Argentine Corner planned to sign a 15 year lease with the assurance it could be renewed for another 15 years. Director Shepherd commented the developer was also planning on allowing the tenant use of the parking on the west side of the building for its operations to encourage the partnership. He noted both the developer and the restaurant were committed to the investment.

Director Peterson mentioned she was comfortable with the proposal because of the components both with longevity and the financial investments of both the tenant and developer. She felt the investment to have it restaurant ready would be worth the investment and create vibrancy downtown even if the venture were to fail.

Director Roper pointed out when reviewing online comments there was usually some negativity that could be found. He expressed his opinion the investment would help residents understand the vision of the City for its downtown. There was a discussion about the minimal associated risks and the involvement the CDRA could have with investing in the City. Director Bush expressed his opinion he thought it would be great.

Director Phipps asked if the \$50,000 was for infrastructure. Mr. Allen responded the tenant only recently provided the list of improvements that would be necessary to have the space improved, but those had not been included in the presentation. He recalled some of the specific items and explained essentially the money would be used to convert the space so it could be restaurant ready.

Director Thompson stated his issue was related to the employment and the service aspects. He explained his desire was for a business to be successful and expressed his worry about it given his research. Mr. Allen responded those concerns could be conveyed to the business. Summer Palmer, Assistant City Manager, reported she recently met with Davis Tech stating it was a group which focused on working with small business owners. She pointed out any business would have growing pains, but that group could be a good resource for Argentine Corner if it chose to take advantage of its programs which would be free. She mentioned the service might help mitigate concerns and also provide some valuable trainings at no cost. There was a discussion about risks associated with growing a business, the changes impacting a business model, and trainings available which could assist business owners. Director Phipps suggested it was a good idea to introduce the owners of Argentine Corner to the specialized training that could assist in its business' success. Director Thompson expressed his opinion it would be good to pass along the concerns and let Argentine Corner know of the available resources.

Chair Bush asked if City Centre would allow Argentine Corner to put up a sign. Spencer Brimley, Director of Community Development, responded staff had received a proposal; however, it was under review and for the most part appeared to be doable, but there were still some unanswered questions that staff was working to address.

Director Shepherd moved to adjourn the CDRA work session and reconvene as the City Council in work session at 8:40 a.m., seconded by Director Thompson. The motion carried upon the following vote: Voting AYE – Director Peterson, Phipps, Roper, and Thompson. Voting NO – None.

The City Council work session minutes are in a separate location.

**APPROVED AND ADOPTED
This 22nd day of October, 2019**

/s/Kent Bush, Chair

ATTEST:

/s/Nancy R. Dean, Secretary

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield Community Development and Renewal Agency meeting held Friday, August 23, 2019.

/s/Nancy R. Dean, City Recorder