



**REDEVELOPMENT AGENCY**

**MEMBERS:**

LEANNE HUFF  
COREY THOMAS  
SHARLA BYNUM  
NICK MITCHELL  
PAUL SANCHEZ  
NATALIE PINKNEY  
CLARISSA WILLIAMS

**EXECUTIVE DIRECTOR**

CHERIE WOOD

**City of South Salt Lake Redevelopment Agency  
AGENDA**

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold a meeting on **Wednesday, April 24, 2024**, in the City Council Chambers, 220 East Morris Avenue, Suite 200, commencing at **6:55 p.m.**, or as soon thereafter as possible.

To watch the meeting live click the link below to join:

<https://zoom.us/j/93438486912>

Watch recorded City Council meetings at: [youtube.com/@SouthSaltLakeCity](https://www.youtube.com/@SouthSaltLakeCity)

Conducting: LeAnne Huff, RDA Chair

**Opening Ceremonies**

- 1. Roll Call

**No Action Comments**

- 1. Bills, Claims, and Communications
- 2. Report of the Executive Director

**Approval of Minutes**

March 27<sup>th</sup>, RDA Meeting

**Unfinished Business**

- 1. A Resolution of the Redevelopment Agency of South Salt Lake Authorizing the Executive Director to Enter Into a Participation Agreement with Blaser Ventures.

Jonathan Weidenhamer

**Motion for Closed Meeting**

**Adjourn**

Posted April 19, 2024

Those needing auxiliary communicative aids or other services for this meeting should contact Ariel Andrus at 801-483-6019, giving at least 24 hours' notice.

In accordance with State Statute and RDA Board policy, one or more Board Members may be participating electronically.

Have a question or concern? Call the connect line 801-464-6757 or email [connect@ssl.gov](mailto:connect@ssl.gov)

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Voice Vote:

Bynum: Yes  
 Huff: Yes  
 Mitchell: None  
 Pinkney: Yes  
 Thomas: Yes  
 Williams: Yes  
 Sanchez: None

**Unfinished Business**

**1. A Resolution of the Redevelopment Agency of South Salt Lake Authorizing the Executive Director to Enter Into a Participation Agreement with Blaser Ventures.**

Community and Economic Development Director, Jonathan Weidenhamer, and EFG Consultant, Cody Deeter, reviewed the Resolution for the participation agreement and noted that it has been discussed in length at the last several RDA Meetings. He also highlighted some of the changes to the participation agreement that have been made over the last couple of weeks.

The number of units has gone down from 478 to 475 units. The number of affordable units went up from 200 to 400 units. The retail space went down from 20,500 square feet to 20,000 square feet and will be at 80% of the market rate for the first 5 years.

The current revenue that is brought in from the current area is \$11,760 and by the end of 2038, when the tax participation is done, will bring in \$520,341, an increase of 4,325%.

Director Sanchez asked how many parking stalls there were going to be and how many of them would be for the public.

Mr. Weidenhamer said that the project would come with 400 parking stalls total, 200 of which would be designated for public use. He noted that the demand created by the project and per the development code would be met with the number that has been planned for.

A copy of the Resolution and PowerPoint presentation is attached and incorporated by this reference.

Director Bynum made a motion to approve the Resolution.

MOTION: Sharla Bynum  
 SECOND: Clarissa Williams

Roll Call Vote:

Bynum: Yes  
 Huff: Yes  
 Mitchell: Yes  
 Pinkney: Yes  
 Thomas: Yes

Williams: Yes  
Sanchez: Yes

Director Thomas made a motion to adjourn.

MOTION: Corey Thomas  
SECOND: Natalie Pinkney

Voice Vote:

Bynum: Yes  
Huff: Yes  
Mitchell: Yes  
Pinkney: Yes  
Thomas: Yes  
Williams: Yes  
Sanchez: None

The meeting adjourned at 7:01 p.m.



LeAnne Huff, RDA Chair

Clayssa Williams, RDA Vice-Chair



Ariel Andrus, RDA Secretary



RESOLUTION NO. R2024- 7

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF SOUTH SALT LAKE AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PARTICIPATION AGREEMENT WITH BLASER VENTURES.

WHEREAS, the Redevelopment Agency of South Salt Lake (the “Agency”) was created by the South Salt Lake City Council (the “Council”) to transact the business and exercise all the powers provided for by Title 17C of the Utah Code, “Limited Purpose Local Government Entities—Community Reinvestment Agency Act” (the “RDA Act”); and

WHEREAS, Utah Code 17C-1-102(41) defines a Participation Agreement as a written agreement between a person and an agency that: a) includes a description of: i) the project area development that that person will undertake; ii) the amount of project area funds the person may receive; and iii) the terms and conditions under which the person may receive project area funds; and b) is approved by resolution of the board; and

WHEREAS, Utah Code 17C-1-202(1)(d) authorizes the Agency to use Agency funds to pay for, including financing or refinancing, all or part of: an incentive or other consideration paid to a participant under a participation agreement; and

WHEREAS, the Agency has purchased or is in the process of purchasing the property located at approximately 2280 South State Street in the City of South Salt Lake (the “Property”) in order to spur development in a manner consistent with the goals of the Market Station Urban Renewal Project Area Plan and the Agency’s additional goals of increasing affordable housing while also improving the character, use, convenience, and aesthetics of the Property and the City; and

WHEREAS, the Agency is negotiating the conveyance of the Property to [ ] (the “Developer”), which is the named counterparty to the Participation Agreement.

WHEREAS, the Agency now desires to enter into a Participation Agreement in accordance with the RDA Act in substantially the same form as and as further described in Exhibit A, which is attached to this resolution and incorporate herein by this reference;

NOW, THEREFORE, BE IT RESOLVED, by the Redevelopment Agency of South Salt Lake:

1. The Agency approves the Participation Agreement, in substantially the same form as the Participation Agreement attached in Exhibit A subject to minor technical corrections as needed, subject to the conveyance of the Property to the Developer.
2. The Board of the Agency authorizes the Executive Director of the Agency to permit any technical corrections to the Participation Agreement and to execute the Participation Agreement upon the conveyance of the Property to the Developer.
3. This resolution shall take effect immediately upon the approval of the Agency governing body.



(signatures appear on next page)

DATED this 24<sup>th</sup> day of APRIL 2024.

BY THE REDEVELOPMENT AGENCY:

LeAnne Huff

LeAnne Huff, RDA Chair

RDA Board Vote as Recorded:

Bynum: yes  
Williams: yes  
Huff: yes  
Mitchell: yes  
Pinkney: yes  
Sanchez: yes  
Thomas: yes



ATTEST:

Ariel Andrus

Ariel Andrus, RDA Secretary

# **EXHIBIT A**

**Participation Agreement**



## TAX INCREMENT PARTICIPATION AGREEMENT

This **PARTICIPATION AGREEMENT** (this “Agreement”) is entered into as of 24<sup>th</sup> day of APRIL, 2024, between **BCG ACQUISITIONS LLC**, a Utah limited liability company (the “Company”) and the **REDEVELOPMENT AGENCY OF SOUTH SALT LAKE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”):

### RECITALS:

A. The Agency owns certain real property within South Salt Lake City (the “City”) located at 2280 South State Street, that is more particularly described in the attached **Exhibit A** (as described in **Exhibit A**, the “Property”).

B. The Agency and the Company entered into a Purchase and Sale Agreement and Escrow Instructions dated April \_\_, 2024 (the “PSA”) providing for the sale of the Property to the Company.

C. The PSA contemplated that the Parties would execute this Agreement, and this Agreement becomes enforceable and effective immediately upon, and only upon, the delivery of a deed to the Company conveying the Property under the PSA (the “Closing”).

D. The Property is located within the boundaries of an urban renewal project area created by the Agency and known as the Market Station Urban Renewal Project Area (the “Project Area”), which expires December 31, 2037.

E. The Company plans to develop, construct, own and operate a mixed-use transit-oriented project that includes the following required elements (collectively, the “Mixed-Use Project”): surface parking and/or streetside parking on the Property containing at least 470 parking stalls (the “Parking Stalls”), of which at least 400 of such stalls are required to be located in an off-street parking structure located on the Property (the “Structured Parking Stalls”); approximately 475 residential units; and at least 20,000 square feet of commercial floor area, of which at least 2,500 square feet of commercial/retail floor area is required to be an amenity space located on the rooftop of a commercial building that is at least four (4) stories in height, and community amenities and/or public gathering spaces that are approved by the Agency, which Mixed-Use Project will be of great benefit to the Project Area and to the City and its residents.

F. The Company has presented to the Agency and its consultants sufficient information, including development plans and alternatives, financial pro forma and cash flow statements, and other information, showing justification for the Agency’s participation in the construction of (i) the Structured Parking Stalls to serve the Mixed-Use Project and the surrounding downtown area, which has an estimated cost after completion of in excess of approximately \$19,000,000, (ii) a minimum of 400 Income Targeted Housing units (as defined below), (iii) a rooftop commercial and/or retail space and patio, (iv) rooftop commercial space, and other site infrastructure, and (v) other extraordinary public infrastructure improvements serving or within the Mixed-Use Project.

G. The Agency has adopted the Market Station Urban Renewal Project Area Plan (the “Plan”), and the Agency has negotiated with the Taxing Entity Committee (the “TEC”) within the Project Area, by resolution (the “TEC Resolution”), which permits the Agency to collect a portion of the tax increment from the Project Area as permitted under Title 17C of the Utah Code Ann.

H. The City created the Downtown South Salt Lake Housing and Transit Reinvestment Zone (the “HTRZ”) which was approved by the Downtown South Salt Lake HTRZ Committee on December 20, 2023, and the, to-be-adopted, interlocal agreement between the City and Agency, which permits the Agency to receive a portion of the tax increment from the HTRZ as permitted under Title 63N of the Utah Code Ann.

I. Due to its location within the Plan’s “Project Area” (as defined in the Plan), the Property generates tax increment revenues that are directed to the Agency under the Plan and as provided in the TEC Resolution.

J. Due to its location adjacent to the HTRZ, and as allowed by the approved HTRZ application and HTRZ law, the Agency is allowed to expend HTRZ funds on projects within, or for the direct benefit of, the HTRZ, including, without limitation, parking structures.

K. The Agency and the Company desire to enter into this Agreement to set forth the terms and conditions pursuant to which the Agency will provide certain incentives in support of the development and operation of the Mixed-Use Project.

#### **AGREEMENT:**

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree as follows:

1. **Tax Increment Definition.**

- a. *Definition.* This Agreement refers to “tax increment” which is a term defined by Utah Code Ann. § 17C-1-102(60). The term tax increment has the same meaning as defined by that statute (as amended, replaced or superseded from time to time). The parties acknowledge that tax increment generally refers to the additional *ad valorem* tax revenues generated by the increase in value of taxable real and personal property from the calendar year ending on December 31<sup>st</sup>.
- b. *Agency’s Share.* Under the Plan as originally adopted, the Agency is entitled to collect 75% of the tax increment from the Project Area until and including the tax year 2037, as expressly provided under the TEC Resolution. Amounts received and retained by the Agency are available to be used to pay for or reimburse for the construction of infrastructure and other Project Area costs within or benefitting the Project Area, including reimbursement of the Company for infrastructure, community amenities, affordable housing, and Structured Parking within the Project Area by the Company or its affiliates or successors.

- c. *Net Agency's Share.* The Agency is required to allocate 20% of the tax increment to affordable housing. Additionally, the Agency has budgeted 5% of retained tax increment for administration costs each year. The term "Net Agency's Share" refers to the tax increment actually received and retained by the Agency each year after allocating 20% for affordable housing, and also after setting aside the 5% administration costs.

2. **Company Commitments.** As a condition to all obligations of the Agency under this Agreement, the Company agrees to develop, own and operate (for a reasonable period of time currently estimated to be at least ten (10) years), through one or more affiliated entities which are owned, managed, and/or under common control with the Company, the Mixed-Use Project, as described and defined in this Agreement, and to do each of the following:

- a. Prior to receiving any payments, the Company agrees to submit documentation outlining the accrued Structured Parking Stalls and other public improvements costs associated with the need for Agency funds;
- b. The Company shall include a community amenity and/or public gathering space within the Mixed-Use Project, the location, design and program of which shall be acceptable to the Agency; provided that the Agency acknowledges that the preliminary site plan previously presented by the Company to the Agency satisfies the requirement of this Section 2(b);
- c. The Company shall include at least 20,000 square feet of retail space, and such commercial space will have an average aggregate rental rate during the initial five (5) years following completion of the same of no more than eighty percent (80%) of the fair market rental rate, which for purposes of this Agreement means the average retail rental rate charged for comparable retail space within the Salt Lake metropolitan area.
- d. The Company shall provide a minimum of 470 total Parking Stalls within the Mixed-Use Project and shall construct at least 200 Structured Parking Stalls that will be available for use by the general public during normal retail and business hours (8:00 a.m. to 10:00 p.m., Monday through Sunday), with (i) two (2) hours of free parking, and thereafter (ii) parking charges at market-based rates that are comparable to the average parking rate charged by comparable parking structures within the Salt Lake metropolitan area, taking into consideration parking rate concessions and discounts offered by such comparable facilities.
- e. The Company agrees to commence construction of the above-ground improvements for the Structured Parking Stalls on or before the date that is six (6) months following the date that a building permit is issued by the City for such Structured Parking Stalls (the "Structured Parking Construction Commencement Date"). The Company agrees to work in good faith, using diligent and commercially reasonable efforts, to promptly finalize all plans, and to thereupon submit application for and otherwise pursue approval from the City with respect to, a building permit for the Structured Parking Stalls. Notwithstanding the preceding sentence, the Structured Parking Construction

Commencement Date shall be extended day-for-day for each day of any “Force Majeure Event” or “City Delay.” For purposes of this Agreement:

i. “Force Majeure Event” means any unforeseeable event or cause beyond the reasonable control of the Company and not due to the fault or negligence of the Company, including, but not restricted to, acts of God, acts of any governmental authority, acts of a public enemy, adverse weather, adverse site conditions caused by weather, floods, earthquakes, epidemics, quarantine restrictions, freight embargoes, strikes or labor disputes; and

ii. “City Delay” means any avoidable and unreasonable delays beyond any time frames provided under applicable City ordinances or state law (a) by the Agency, the City or other governmental authority in approving any land use entitlements (including but not limited to zoning, master plan, and/or other similar approvals), approving the waiver of certain City fees relating to the Mixed-Use Project, and reviewing or approving the construction plans for the Mixed-Use Project or any portion thereof, or (b) by the Agency in establishing and issuing any bonds to be secured by the tax increment which is the subject of this Agreement and which may be requested by the Company, which bonds shall be upon terms reasonably acceptable to the Company and the Agency.

f. The Company shall provide Income Targeted Housing units consistent with Section 5(a) below. Additionally, the Mixed-Use Project shall have a housing unit mix comprising of at least thirty percent (30%) of the total number of housing units with two (2) bedrooms or more.

3. **Post-Performance Tax Incentives.**

a. *Generally.* The Company is solely responsible for all costs of development, construction, maintenance, ownership, repair, etc., of the Mixed-Use Project (including, without limitation, the Structured Parking Stalls). However, subject to the performance of the Company Commitments by the Company first, the Agency will participate with the Company in financing the construction of the Structured Parking Stalls and other allowable project improvement costs solely by paying a maximum amount of 75% of the Agency’s Share of tax increment through December 31, 2037, which is currently estimated to be \$9,350,000 (the “Maximum Reimbursement Amount”) to the Company as reimbursement for expenses actually incurred by the Company in the construction of the Structured Parking Stalls and other project improvements, as follows: The Agency will pay to the Company annually, beginning with a payment for the first year in 2025, and ending with a final payment for the final year of the remaining tax increment collection period for the Project Area, which is estimated to be December 31, 2037 (each an “Annual Tax Increment Payment”), an amount equal to 75% of the tax increment actually received by the Agency from the Salt Lake County Treasurer pursuant to the Plan and Utah Code Ann. § 17C-1-4, and arising from the Mixed-Use Project. The Agency will continue making Annual Tax Increment Payments until the Agency no longer has the right to receive tax increment from the Project Area because

the final year of the tax increment collection period for the Project Area has passed. Notwithstanding anything in this Agreement to the contrary, the Agency has no obligation to pay any more than the Maximum Reimbursement Amount; accordingly, if and when the Maximum Reimbursement Amount has been paid, the Agency will have no further payment obligations of any kind to the Company; both parties acknowledge the total amount paid to the Company is contingent on, among other things, the amount of tax increment actually received by the Agency each year from the Property and the Mixed-Use Project.

- b. *Affordable Housing.* In addition to the Maximum Reimbursement Amount payable under Section 3(a) of this Agreement, the Agency will also pay to the Company certain additional tax increment funds in order to preserve certain units within the Mixed-Use Project as “Income Targeted Housing” units. Specifically, the Agency will pay tax increment funds in the cumulative amount of 20% of the Agency’s Share of tax increment through 2037 which is currently estimated to be \$2,500,000 (the “Maximum Housing Amount”), as follows: The Agency will pay to the Company annually, beginning with a payment for the first year in 2025, and ending with a final payment for the final year of the remaining tax increment collection period for the Project Area, which is estimated to be December 31, 2037 (each an “Annual Housing Payment”). The Agency will continue making Annual Housing Payments until the first to occur of either (i) the Agency no longer has the right to receive tax increment from the Project Area because the final year of the tax increment collection period for the Project Area has passed, or (ii) a “Housing Cutoff Event” (defined below) has occurred. Notwithstanding anything in this Agreement to the contrary, except for payments under Section 3(a), 3(c), and 3(d), the Agency has no obligation to pay any more than the Maximum Housing Amount; accordingly, when the Maximum Housing Amount has been paid, the Agency will have no further obligations of any kind to the Company under this Section 3(b), both parties acknowledge the total amount paid to the Company is contingent on, among other things, the amount of tax increment actually received by the Agency each year from the Property and the Mixed-Use Project.
- c. *HTRZ Incentive.* In addition to the funding sources generated within the Project Area, the Agency also committed to utilizing up to \$3,150,000 of the initial HTRZ funds generated and actually received by the Agency to assist with the construction of the Structured Parking Stalls (the “HTRZ Payment”). The parties acknowledge that the HTRZ is not generating tax increment revenues as of the Effective Date of this Agreement. HTRZ tax increment payments to Company are expressly contingent upon the generation of tax increment within the HTRZ boundaries and the Agency’s receipt of such tax increment. It is currently estimated that the HTRZ will begin generating tax increment in 2026. The Agency and the Company shall work in good faith to agree to an addendum to this Agreement to address the payment of the HTRZ Payment after the first year the Agency receives HTRZ tax increment revenues. The Agency Executive Director is hereby authorized and may, in their sole discretion, direct one or more additional payments of available Agency funds to the Company in an amount not to exceed \$1,200,000 to supplement the HTRZ Payment to the extent the actual HTRZ Payment is less than the amount estimated in this Section or if the Agency Executive

Director has determined, in their sole discretion, that Mixed-Use Project has, or is likely to, provide additional or enhanced public benefits or otherwise exceed the standards or requirements set forth in this Agreement.

- d. *Pre-Vertical Construction Payments.* Prior to the Commencement of Construction of the Mixed-Use Project, any amounts received by the Agency that are payable to Company as Payments in accordance with Sections 3(a) and 3(b) above shall be held in an interest-bearing account by the Agency subject to the provisions of this Section. Once the Commencement of Construction of the Mixed-Use Project has occurred and the construction of the Mixed-Use Project continues with reasonable diligence, the Payments, less any accrued interest, shall be paid to the Company in accordance with the terms of this Agreement. Notwithstanding anything to the contrary in this Agreement, Company shall not be entitled to receive any Payments under this Agreement unless and until the conditions set forth in this Section are satisfied. Company shall provide written notice to the Agency upon the Commencement of Construction informing Agency of the same and shall provide the Agency with the construction schedule, which shall include, at a minimum, a summary of each estimated construction milestone from Commencement of Construction through completion of the Mixed-Use Project. Company shall also provide construction progress reports to the Agency at least once each quarter documenting Company's construction progress and achievement of milestones described in the construction schedule. If construction of the Mixed-Use Project is halted or interrupted for any reason for more than one hundred twenty (120) days, Company shall promptly provide written notice of such event to the Agency and Agency may, in Agency's sole discretion, and except in the event the halt or interruption is due to a Force Majeure Event or a City Delay, withhold future Payments until construction of the Mixed-Use Project recommences and continues with reasonable diligence and in accordance with all other provisions and terms of this Agreement. Additionally, Company shall provide such additional information or documentation as the Agency may reasonably request from time to time to ensure Company's construction progress. For purposes of this Agreement "Commencement of Construction" shall mean Company's commencement of construction of the above-ground improvements comprising the Mixed-Use Project or relevant portion thereof.
- e. *Limitation.* Subject to the terms of this Agreement, the Agency will make Annual Tax Increment Payments until the first to occur of either of the following: (i) the Agency has paid to the Company a total of \$15,000,000 in incentives (inclusive of the Annual Tax Increment Payments, the Annual Housing Payments, and the HTRZ Payments) pursuant to the terms of this Agreement, or (ii) the Agency no longer has the right to receive tax increment from the Project Area because the final year of the tax increment collection period for the Project Area has passed. Notwithstanding anything in this Agreement to the contrary, if the Company does not satisfy the Company Commitments as set forth in Section 2 hereof, then the Agency will have no obligation to pay any payments described in this Sections 3(a) and 3(b) (the "Annual Post-Performance Tax Incentive Payments") to the Company, and instead, the Agency will then be entitled to retain all tax increment generated from the Mixed-Use Project for other legal and authorized purposes of the Agency; provided however, that in the event the Company



Commitments are not satisfied either due to the “State Contingency” not being achieved, or the total number of Structured Parking Stalls not being constructed so long as such number of Structured Parking Stalls actually constructed are within the “Permitted Parking Variance,” then the Annual Tax Increment Payments shall be paid, but shall be adjusted proportionately to reflect the reduction in the Company Commitments resulting from the State Contingency or Permitted Parking Variance. For purposes of this Agreement:

- i. “State Contingency” means the approval required from the State of Utah (including its agencies, the Utah Department of Transportation and/or the Utah Transit Authority), with respect to the realignment of the State infrastructure to facilitate the development of the Mixed-Use Project as contemplated; and
  - ii. “Permitted Parking Variance” means a reduction of the Structured Parking Stalls identified in Section 2(c) above by no more than (A) forty- seven (47) stalls or (B) the difference between the number of Structured Parking Stalls proposed for the Mixed-Use Project and the minimum number of off-street parking spaces required under the City’s ordinances.
- f. *Taxes – Condition Precedent.* Notwithstanding anything in this Agreement to the contrary, all obligations of the Agency to pay any tax increment to the Company are conditional on the Company paying all taxes assessed on or generated from the Property, including but not necessarily limited to real property, personal property, *ad valorem*, and sales taxes, to the appropriate taxing authorities. The Company reserves all, and does not waive or relinquish any, rights available at law or in equity to appeal or contest any taxes or assessments on the Property.
- g. *No Existing Encumbrance and No Further Encumbrance.* The Agency has not encumbered or pledged tax increment from the Mixed-Use Project as of the Effective Date. The Agency agrees that the Agency shall not, without the prior written consent of the Company, which may be withheld in the Company’s sole discretion, issue any bonds and other indebtedness that are secured by tax increment from the Mixed-Use Project until such time as Company has been reimbursed the Maximum Post-Performance Tax Incentive Payment Amounts as provided in this Agreement, unless such obligations are subordinate to the rights of Company under this Agreement or except as otherwise provided in this Agreement.
- h. *Bond Option.* Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that the Agency intends to and shall pursue the issuance of public infrastructure bonds in lieu of the Annual Tax Increment Payments, the Annual Housing Payments, and the HTRZ Payments, which bonds shall be secured by the tax increment which is the subject of this Agreement (the “Public Infrastructure Bonds”), and to provide the proceeds of the Public Infrastructure Bonds to the Company, less the reasonable transactional costs of the bonds, during the course of construction of the Mixed-Use Project. As soon as reasonably practicable following the Effective Date, the Agency shall pursue and close on such bond financing in a diligent and



commercially reasonable manner. Prior to the disbursement of any proceeds from the Public Infrastructure Bonds the parties shall enter into an addendum to this Agreement to address the manner in which the bond proceeds will be released to the Company, among other matters agreed to by the parties relating thereto. The Agency shall retain sole discretion over all terms and conditions pertaining to the issuance of the Public Infrastructure Bonds. The Company (a) acknowledges that the proceeds of the Public Infrastructure Bonds will, by necessity, be less than the currently estimated amounts totaling the Annual Tax Increment Payments, the Annual Housing Payments, and the HTRZ Payments, and (b) agrees that, upon the issuance of any Public Infrastructure Bonds and the release of such proceeds to the Company pursuant to the addendum to this Agreement, the Agency shall have no further obligation to make any of the annual payments under Sections 2(a) through (c) of this Agreement even if such bond proceeds are less than the estimated annual payment amounts contemplated under this Agreement.

4. **Timing of Annual Incentive Payments.** Subject to Sections 2 and 3 *above*, the Agency will make the first Annual Tax Increment Payment within thirty days after the Agency receives from the Salt Lake County Treasurer the final tax increment payment for the calendar year in which the Mixed-Use Project (or any completed portion thereof) is first assessed and appears on the tax rolls for Salt Lake County, and, subject to Section 3 *above*, the Agency will continue making the Annual Post Performance Tax Incentive Payments each successive year within the same thirty-day period for so long as the Agency is entitled to collect tax increment from the Project Area (as may be extended, if at all, from time to time). For informational purposes, the Agency typically receives tax increment payments from the Salt Lake County Treasurer in March or April (for the preceding tax year), which means the Agency will likely pay the first Annual Tax Increment Payment to the Company around April or May of the year following the calendar year during which the Company obtains an initial certificate of occupancy for the Mixed-Use Project (or first completed portion thereof), and then the successive payments in April or May of each succeeding year.

5. **Housing Cutoff Event.**

- a. As a condition to the obligation of the Agency to make any Annual Housing Payments to the Company, the Company agrees as follows. The Company will cause at least 400 housing units within the Mixed-Use Project to be available for lease (or subject to lease) at all times, as “80% AMI Housing” or “40% AMI Housing” through and including the calendar year 2037, with an overall average unit mix of at least “60% AMI Housing.” Such units are referred to collectively in this Agreement as “Income Targeted Housing.”
- b. The term “80% AMI Housing” means both of the following are true with respect to the unit: (i) the tenant of the unit has an annual income that is no more than 80% of the median annual income for Salt Lake County, based on household size, according to income statistics or guidelines published by the United States Housing and Urban Development, as measured at the time such tenant enters into a lease for an Income Targeted Housing unit and (ii) the monthly rent for tenant does not exceed 30% of the

tenant's gross monthly income, as such is measured at the time such tenant enters into a lease for an Income Targeted Housing unit. The term "60% AMI Housing" means both of the following are true with respect to the unit: (i) the tenant of the unit has an annual income that is no more than 60% of the median annual income for Salt Lake County, based on household size, according to income statistics or guidelines published by the United States Housing and Urban Development, as measured at the time such tenant enters into a lease for an Income Targeted Housing unit and (ii) the monthly rent for tenant does not exceed 30% of the tenant's gross monthly income, as such is measured at the time such tenant enters into a lease for an Income Targeted Housing unit. The term "40% AMI Housing" means both of the following are true with respect to the unit: (i) the tenant of the unit has an annual income that is no more than 40% of the median annual income for Salt Lake County, based on household size, according to income statistics or guidelines published by the United States Housing and Urban Development, as measured at the time such tenant enters into a lease for an Income Targeted Housing unit and (ii) the monthly rent for tenant does not exceed 30% of the tenant's gross monthly income, as such is measured at the time such tenant enters into a lease for an Income Targeted Housing unit. The term "Income Targeted Housing" means, collectively, 80% AMI Housing and 40% AMI Housing. Company shall obtain and preserve all records relating to Income Targeted Housing units in the Mixed-Use Project, and the Agency may, not more than once every twelve months, request copies of those records to verify the Company's compliance with the requirements of this Agreement. Upon proper request by the Agency, the Company shall provide copies of all Company records reasonably requested by the Agency or reasonably necessary for the Agency to determine compliance with this paragraph and in accordance with the compliance reporting requirements adopted by the Utah Housing Corporation from time to time (the "Housing Compliance Requirements"). Notwithstanding anything to the contrary herein, if the Company utilizes Low Income Housing Tax Credit ("LIHTC") financing through the Utah Housing Corporation as an additional funding source for the Income Targeted Housing, the Company's reporting obligations and compliance with the requirements of the Utah Housing Corporation (or its successor as the designated "Housing Credit Agency") for the LIHTC program shall satisfy the Company's reporting and compliance obligations under this Agreement so long as the Income Targeted Housing unit mix and other requirements of this Agreement are met and the Agency timely receives copies of all reports and other filings made to the Utah Housing Corporation (or any successor Housing Credit Agency) demonstrating compliance with the LIHTC program.

- c. If at any time the Company fails to comply with the requirements to maintain at least 400 Income Targeted Housing units leased or available for lease through and including calendar year 2038 in accordance with the requirements of Sections 5(a) and (b) above, then a "Housing Cutoff Event" will be deemed to have occurred, and the Company will forfeit the right to collect any future Annual Housing Payment, but may retain payments for such periods that the Company maintained such units.
- d. However, notwithstanding the foregoing, a "Housing Cutoff Event" will not be deemed to have occurred unless and until the Agency has notified the Company in writing that

the Agency believes a Housing Cutoff Event has occurred and the Company has been given at least 45 calendar days to provide a written response to the Agency explaining why the Company believes a Housing Cutoff Event has not occurred. The Agency must review the evidence provided by the Company and then make a final determination which final determination must be conveyed by the Agency to the Company in writing. If the Company continues to disagree then the Company may file a declaratory judgment lawsuit within 90 calendar days after receiving the final written decision of the Agency, and if the Company fails to timely do so, then the matter will be final and not subject to any further judicial review or action.

- e. The Company will have no obligation pursuant to this Agreement to maintain any Income Targeted Housing units in the Mixed-Use Project on or after January 1, 2039, or after a Housing Cutoff Event has occurred.

6. **Agency Authority.** The Company acknowledges that the Agency is a political subdivision of the State of Utah operating and existing under Title 17C of the Utah Code Ann., separate and distinct from South Salt Lake City, for the purpose of, among other things, promoting the urban renewal, economic development, community development & community reinvestment in the City. The Company acknowledges that South Salt Lake City is not a party to this Agreement and South Salt Lake City will not have any duties, liabilities or obligations under this Agreement. The Company understands that the Agency has no independent taxing power, and therefore the Agency's sole source of revenue is property and sales tax increment financing as provided under Utah law. If Utah law is amended or superseded by new law so as to reduce or eliminate the amount of tax increment revenue to be paid to the Agency, the Agency's obligation to pay Annual Tax Increment Payments to the Company shall be accordingly reduced or eliminated. Similarly, if a court of competent jurisdiction declares that the Agency cannot receive tax increment revenues or make payments to the Company from tax increment revenues as provided in this Agreement, or takes any other action which eliminates or reduces the amount of tax increment revenues paid to the Agency, the Agency's obligation to make Annual Tax Increment Payments to the Company shall be accordingly reduced or eliminated.

7. **Agreement Term/Breach/Termination.** This Agreement will automatically terminate and expire upon payment of the final Post-Performance Tax Incentive Payment as described in Section 3 *above*, or as provided in Section 2 relating to performance of the Company Commitments. This Agreement may also be terminated earlier as follows: Upon the material breach of this Agreement by either party, the non-breaching party may provide notice to the breaching party. The breaching party shall have 30 days to cure the breach, and if the breach is not timely cured, the non-breaching party may then terminate this Agreement by providing final notice to the breaching party. The Agency may terminate this Agreement upon written notice to Company if Company has not achieved the Commencement of Construction of the Structured Parking Stalls by the Structured Parking Construction Commencement Date (as such Structured Parking Construction Commencement Date may be extended due to a Force Majeure Event or a City Delay).

8. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective successors and assigns. Neither party may assign its rights or obligations under this

Agreement without the advance written consent of the other party.

9. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and the Agency.

10. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Salt Lake County, Utah.

11. **Integrated Agreement.** The above recitals, and all attached exhibits and schedules, are incorporated and made an integral part of this Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter addressed. There are no other contracts or agreements, written or verbal, between the parties relating in any way to the subject matter of this Agreement. No party is relying on any verbal or written statements of the other than those expressly set forth in this Agreement.

12. **Further Assurances.** The parties shall cooperate, take such additional actions, sign such additional documentation, and provide such additional information as reasonably necessary to accomplish the objectives set forth in this Agreement.

13. **Indemnification.** The Company shall indemnify, defend (with counsel of the indemnitee's choosing), and hold the Agency and South Salt Lake City (including their respective officers, directors, agents, employees, contractors, and consultants) harmless from and against all liability, loss, damage, costs or expenses, including attorney's fees and court costs, arising from or as a result of death, injury, accident, loss or damage of any kind caused to any person or property because of Company's breach of this Agreement or any other act(s), error(s), or omission(s) of the Company (including its officers, directors, agents, employees, contractors, and consultants) upon the Property or in connection in any way with this Agreement, except in each case to the extent arising out of the negligence, willful misconduct, illegal acts, bad faith or breach of this Agreement by the Agency or South Salt Lake City (including their respective officers, directors, agents, employees, contractors, and consultants).

14. **Third-Party Beneficiaries.** Except for South Salt Lake City which is an intended third-party beneficiary as described in the immediately preceding paragraph regarding indemnification, this Agreement is intended solely for the benefit of the Agency and the Company and there are no intended third-party beneficiaries.

15. **Nonliability of Officials or Employees.** No director, officer, agent, employee, or consultant of the Agency or the Company shall be personally liable to the other party hereto, or any successor in interest, in the event of any default or breach by the Agency or Company or for any amount which may become due to the Company or its successors or on any obligations under the terms of this Agreement.

16. **No Legal Relationships.** The parties disclaim any partnership, joint venture, fiduciary, agency or employment status or relationship between them. No party has the authority to make

any representation or warranty or incur any obligation or liability on behalf of the other party, nor shall they make any representation to any third party inconsistent with this paragraph.

*[End of Terms – Signature Page Follows]*

THIS PARTICIPATION AGREEMENT IS EXECUTED effective as of the day and year first above written, by.

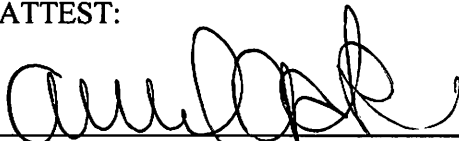
COMPANY: BCG ACQUISITIONS LLC,  
a Utah limited liability company;

By: \_\_\_\_\_  
Name:  
Title:

AGENCY: REDEVELOPMENT AGENCY OF  
SOUTH SALT LAKE CITY,  
a Utah political subdivision

By: Lo Anne Hull  
RDA, Agency Chair

ATTEST:

  
Secretary

## **EXHIBIT A**

### **Description of the Property**

That certain real property located in the City of South Salt Lake, Utah, more particularly described as follows:

Beginning at a point which lies South 89°52'00" West 33.00 feet from the Northeast corner of Lot 12, Block 40, Ten Acre Plat "A", Big Field Survey as recorded in the Salt Lake County, Utah Recorder's office, (said point of beginning also lies on the West line of State Street) and running thence South 00°05'00" West 419.92 feet along said West line to the North line of Haven Lane (also known as Haven Avenue in some instruments of record); thence South 89°52'00" West 511.50 feet along said North line; thence North 00°03'34" East 164.40 feet; thence North 89°52'00" East 17.09 feet; thence North 00°03'34" East 99.75 feet, more or less; thence South 89°52'00" West 193.00 feet to the East line of Main Street; thence North 00°03'06" East 155.75 feet along said East line, more or less, to the South line of the Denver and Rio Grande Western Railroad; thence North 89°52'00" East 687.61 feet to the point of beginning.

TAX ID number 16-19-151-013



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## **SSL RDA Board**

**April 24, 2024**

# Purchase & Sale Details & Disposition Details

1. We closed on the property on 4/9/24
2. 5.52 acres at \$65/sf = \$15,629,315
3. Blaser Ventures agrees to purchase at \$16,831,570
4. Contingent on approval of a Participation Agreement

# Participation Agreement(Exhibit A)

- **Market Station URA TIF Bonds (new property tax) – Up to \$11,850,000**
  - Eligible Property tax generated from this project w/cap (\$9.35 MM) (only \$2.6 from SSL)
  - Eligible Affordable housing property tax from this project w cap (\$2.5MM)
  - Will not include sales tax
- **HTRZ Bonds – Up to \$3,150,000**
  - Pledge property tax from 3 HTRZ existing residential projects
  - Public/private parking garage & free public parking
  - If HTRZ doesn't deliver, can be underwritten by fund balance, not to exceed \$1.2MM
- **Seller Financing - \$5,000,000**
  - Repaid with interest over not to exceed 5-year period

# Project

(red = new)

- 4785 Residential Units
- ~~50%~~ 400 units Affordable
- < 30% units 2 BR +
- 400 Stall Parking Structure (4200 Public Spaces, free for first 2 hours)
- 20,500 Sq. Ft. Retail – at 80% of market rate for first 5 years
- Public Rooftop Gathering Space



SITE PLAN ILLUSTRATIVE



# Fiscal Cost/Benefit

Fiscal Revenues	Total 14-Years (2024-2037)
Property Tax (25%)	\$897,290
Sales Tax	\$1,410,214
Municipal Energy Tax	\$424,158
Non-City URA Funds	\$9,760,153
<b>Total Fiscal Benefits</b>	<b>\$12,491,815</b>

Fiscal Expenses	Total 14-Years (2024-2037)
City URA Portion of Property Tax (75%)	\$2,691,871
General Government	\$286,491
Public Safety	\$1,261,715
Public Works	\$207,429
<b>Total Fiscal Expenses</b>	<b>\$4,447,506</b>

<b>City Benefit/(Cost)</b>	<b>\$8,044,310</b>
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City Annual Benefit	Year 2038 - Forward
Property Tax	\$324,041
Sales Tax	\$149,017
Municipal Energy Tax	\$47,282
<b>Total Annual Revenue</b>	<b>\$520,341</b>
Current Revenues (2024)	\$11,760
<b>Increase</b>	<b>4,325%</b>

Expenses for providing services for new growth